Pakistan

BASIC FACTS

1980-81

19TH EDITION

GOVERNMENT OF PAKISTAN
FINANCE DIVISION
ECONOMIC ADVISER'S WING
ISLAMABAD

19TH EDITION ERRATA

PAKISTAN BASIC FACTS 1980-81

GOVERNMENT OF PAKISTAN, FINANCE DIVISION
ECONOMIC ADVISER'S WING, ISLAMABAD

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بسم الله الرحمن الرحيم

PREFACE

The 19th edition of the Pakistan Basic Facts covers major developments in various sectors of the economy in their historical perspective but with emphasis on the year, 1980-81. It contains an analysis of recent policy measures and reviews the sectoral growth trends extended as far back as possible depending on the data availability. Its text organized in twenty chapters is supplemented with a comprehensive series of statistics on variables and performance indicators relevant to each sector.

Suggestions for improvement will be welcome.

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Islamabad, February, 1982.

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1

LAND AND THE PEOPLE

Pakistan came into being on August 14, 1947 after a long struggle by the Muslims of the sub-continent who proclaimed their separate nationhood in the Pakistan Resolution of March 1940, under the inspiring leadership of Quaid-i-Azam Muhammad Ali Jinnah. The two-nation theory was accepted after bitter opposition by Hindu India and the British colonial ruler; and the sub-continent was divided, making Hindu and Muslim majority areas separate sovereign and independent States.

2. Pakistan formed two geographical units at the time of its creation, Western Pakistan and Eastern Pakistan, separated by 1609 kilometres of Indian territory. In December 1971, East Pakistan seceded giving birth to the new State of Bangladesh. The Islamic Republic of Pakistan now comprises four provinces; the Punjab, Sind, North West Frontier and Baluchistan, besides the Federal Capital and Federally Administered areas.

3. Strategically situated on the world map connecting the oil-rich Middle East with South-East Asia, Pakistan lies between latitude 23.30° and 36.45° North and 61° and 75.31° East stretching over 1,600 kilometres north to south and about 885 kilometres east to west, covering a total area of 796.095 square kilometres. According to the 1981 census, it had a population of 83.782 million.

4. Along the north and north-western border stretch the mountain ranges of the Himalayas and the Hindukush while the southern coastline is washed by the Arabian Sea. The country is bounded by Iran on the West, India in the east and southeast; Afghanistan in the north and north-west; the People's Republic of China in the north-west to north-east ; while close across the northern border lies the Soviet Union. The disputed territory of Jammu and Kashmir State borders Pakistan on its north-east. Sixteen kilometres from Rawalpindi, in the lap of the Margala Hills, lies the capital city of Islamabad.

5. Three distinct features mark the geography of Pakistan ; (1) the north to north-western mountainous belt, (2) the arid Baluchistan plateau to its west and (3) the fertile plain of Indus River Basin spreading from north-east to south-west upto the Arabian Sea.

6. The mountainous belt is largely a barren region known for its rugged grandeur that features many of the world's tallest peaks like Tirichimir and K-2. On three sides, this hilly ascension surrounds the sandstrewn stony plateau of Baluchistan. Rainfall in both these arid regions is negligible but the mineral potential known and untapped is immense. Agricultural activity is limited to scattered subsistence farming and cattle grazing. The valleys of Kaghan and Swat and the regions of Hunza, Dir and Chitral in the north and north-west have valuable tourist potential.

7. The vast plain of the River Indus striped by an extensive irrigation net-work connected with the Indus and its tributaries, the Jhelum, Ravi and Chenab, spreads across the provinces of NWFP, Punjab and Sind. It is thickly populated, extensively farmed, producing the main food and cash crops of the country, and has the main urban-industrial complexes. In the south-east of the Indus plain lies the desert of Thar. To the east of the Indus Delta lies the marshy Rann of Kutch.

8. Mainly an agricultural country, wheat, rice, cotton, sugarcane and tobacco are the principal crops. Pakistan is one of the leading exporters of cotton and rice.

9. Forests occupy about 4 per cent of the total area of Pakistan. Fruit orchards abound in mango, citrus, plum, pears and bananas in the Indus Basin and grapes, apples, pomegranates, almonds and other nuts in the mountainous belt.

10. The climate generally classified as tropical mansoon is actually continental in character though temperature variations embrace both, extremes. Rainfall is scarce except in the riverain plain of the Punjab and adjoining hilly areas where the monsoon pose a seasonal danger of floods.

11. It is difficult to identify the racial origins of the people of Pakistan. The region is a melting pot of diverse races and cultures that entered the sub-continent from outside, in successive waves of migration through north-west passes as well as by internal migration from across the sub-continent. These include the Aryans, Greeks, Turks, Persians, Afghans and the Moghals from the north-wet and the Arabs who conquered Sind. Traces of the Dravidians are found in the Kalat region. The dominant racial type however is the Indo-Aryans. The Baluchis and the Pathans are predominantly a mixed stock of the Turks and Iranians, the two important branches of the Aryans.

12. About 97 per cent of the people of Pakistan are Muslims; the Hindus, Christians and the Ahmadis constitute the minority groups. Urdu as the national language is gradually being introduced at all levels. Regional languages such as Punjabi, Sindhi, Balochi and Pushto are also being promoted. English is still widely used in commercial, legal and other official transactions.

13. The people of Pakistan are industrious and hard working. They are known for their hospitality and warm heartedness. Sports, music and movies are popular pastimes. Hockey and cricket are the two popular games. In both these games as well as in Squash, Pakistan is regarded among the top teams of the world. The cultural heritage is rich and replete with a variety of folk dance and music. Poetry is greatly loved and forms an important part of Pakistan's literature.

14. In the eighties, Pakistan is passing through a process of social change. Government is trying gradually to transform the colonial legal and socio-economic structure into an Islamic one as dictated by the Holy Quran and the Sunnah, the sole aim and raison d'etre of the new State of Pakistan.

2

POPULATION AND LABOUR FORCE

Poulation of Pakistan, according to the provisional data of the 1981—census, stands at 83.78 million, as against 65.31 in 1972, 42.88 million in 1961 and 33.74 million in 1951. This has thus registered a rise of 28.28 per cent over the 1972 census and 148.3 per cent over the last three decades. The highest rise was recorded in the province of Baluchistan (77.23 per cent), followed by Sind (33.98 per cent), N.W.F.P. (29.77 per cent) and Punjab (25.28 per cent). The Federally Administered Tribal Areas reflected a decline of 12.68 per cent. Population trend since 1901 is depicted in Table 2.1 and provisional data of 1981 — census in Table 2.2.

Fertility/Mortality Trend :

2. Main factor leading to steep rise in population has been the persistent high birth rate accompanied by progressive reduction in death rate. Since 1947, due to extention in medical and public health facilities, the Crude Death Rate has declined from 30 to 12 per thousand while the Crude Birth Rate, owing to deep rooted social and cultural factors, has declined only from 50 to 41.8 per thousand. However, the life expectancy at birth is currently estimated at 55 years.

Rural/Urban Population :

3. The urban population is growing much faster than that of rural areas mainly because of rural — urban migration phenomenon which in turn is due to better availabilities of employment, health, educational and recreational facilities in urban areas. As a result, the urban population now comprises 28.28 per cent of the total population compared to 25.4 per cent in 1972, 22.5 per cent in 1961 and 17.6 per cent in 1951. According to the 1981 census, the provincewise proportion of urban population was : Sind (43.37 per cent), Punjab (27.53 per cent), Baluchistan (15.61 per cent) and N.W.F.P. (15.23 per cent). Tables 2.3 & 2.4 portray the Rural/Urban population growth since 1951 and the age distribution in 1972.

Density :

4. The density of population is increasing at par with the rise in population. The national density has increased from 82 person per sq. km. in 1972 to 105 persons in 1981. The provisional data of the 1981 census reveals that the province of Punjab has the highest density of 229 persons per sq. km., followed by N.W.F.P. (146 persons), Sind (134 persons) and Baluchistan (12 persons). The density in Islamabad is 369 persons per sq. km. and in FATA it is 80 persons.

Literacy :

5. Due to expansion in educational facilities the literacy status has improved. According to the 1972 census, literacy rate (for persons 10 years and above) has been 21.7 per cent. It is 42 per cent in urban areas and 14.3 per cent in rural areas. This rate is 30.2 per cent and 12 per cent for male and female population respectively. Literacy ratio by sex, age and rural/urban areas in 1972 is given in Table 2.5.

Labour Force :

6. The labour force is growing at the rate of about 3.0 per cent per annum. Presently, it is estimated at 24.45 million and is likely to touch the mark of 26.06 million by the end of Fifth Plan period (1978—83). In retrospect the total civilian labour force was 10.4 million in 1951, 13.9 million in 1961 and 20.8 million in 1972.

7. Owing to the young age structure of the population and very low female participation, Pakistan has a low participation rate of about 29.5 per cent. 52.1 per cent of the male population and 4.3 per cent of female population constitute the labour force.

8. Details of civilian labour force by age, sex and rural/urban areas is set out in Tables 2.6 — 2.8.

Employment Structure :

9. Pakistan like any other developing country suffers from open unemployment in urban areas and disguised unemployment in rural areas. However, the wholly unemployed in the strict sense of the term have never presented a major problem for the economy, as the open unemployment has peen estimated at around 2.0 per cent on the basis of various sample surveys as well as the Decennial Censuses of 1951 and 1961. The Housing, Economic and Demographic (HED) Survey of 1973 however reported unemployment rate of 13.0 per cent. The disparity in unemployment estimates was due to coverage variation, non-uniform definition of job seekers, survey timings and the coverage of the age groups 10-19 years, especially for females, where severe unemployment is reported.

10. The level of under-employment or disguised unemployment presents a relatively more serious problem as it is difficult to overcome due to seasonal nature of the activity. The problem of under-employment to some extent is also prevalent in the informal sectors of the economy.

11. The labour force employment estimated at 23.130 million in 1979-80 went up by 2.9 per cent to 23.805 million in 1980-81. Out of the total employed labour force, 13.310 million persons were employed in agriculture and allied sectors, 3.236 million in manufacturing, mining and quarrying, 0.119 million in electricity and water, 0.992 million in construction, 1.131 million in transport and communication, 2.580 million in trade and 2.437 million in services sector. Depending on the level of technology used, resource mix and output growth rates, the employment growth varied from sector to sector. In 1980-81 the highest annual employment growth was in trade sector (3.9 per cent), followed by manufacturing and transport (3.5 per cent). construction (3.3 per cent), service (3.0 per cent) and agriculture (2.5 per cent). Sectoral employment and its trends are given in Tables 2.9 and 2.10.

12. The demand for Pakistani labour from oil producing middle east countries has greatly eased the unemployment and under-employment situation. About 1.4 million Pakistanis are working/living abroad. During 1980-81 more than 118 thousand Pakistanis emigrated for overseas employment. Emigration trend is given in Table 2.11.

13. The labour employment abroad has, however, not been an unmixed blessing as the phenomenal emigration of various categories of workers to OPEC countries has resuletd in an acute shortage of some technical manpower within the country. To meet this challenge the Government is placing special emphasis on crash programmes for the training of the skilled and semi-skilled

workers to meet the indigeneous requirement as well as for catering to the external demand. A crash programme for training skilled and semi-skilled workers for overseas employment is being implemented at a total cost of Rs. 89.70 million. A National Vocational Training Project costing Rs. 431.38 million has been launched in collaboration with the World Bank/ILO/UNDP. Recently these efforts have further been supplemened by training programmes in 13 trades.

TABLE 2.1

POPULATION IN PAKISTAN

(In thousand)

Census Year	Population	Average Intercensal and Annual Rate of Growth
1901	16,576 (a)	0.6
1911	19,382 (b)	0.7
1921	21,109	0.9
1931	23,542	1.1
1941	28,282	1.8
1951	33,740 (c)	1.7
1961	42,880 (d)	2.4
1972	65,309	3.6 (e)
1981	83,782 (f)	3.0

Source : Census Organisation, Statistics Division.

NOTE :—(a) Excluding population of frontier regions.

(b) Based on population excluding 1,622 thousand persons of frontier regions in 1911.

(c) Including 13 thousand persons (estimated) of Gawadar, not part of Pakistan in 1951 and 24 thousand persons (estimated) in frontier regions who were not included in the 1951 census data.

(d) The Planning Commission has estimated that there was under-enumeration in 1961 census to the tune of 7.50 per cent. As such the 1961 population figures used for various economic indicators is taken to be 46,100 thousand.

(e) The intercensal population growth rate between 1961 and 1972 is 3.6 per cent if the population is taken without adjustment and 2.9 per cent after adjustment for 7.50 per cent under-enumeration in the 1961 census.

(f) Provisional estimates of 1981 census.

TABLE 2.2

PROVISIONAL POPULATION BY PROVINCES—1981 CENSUS

Area	Population (in thousands) September 1972	Population (in thousands) March 1981	Percentage change in population (1972—81)	Sex-ratio Male per hundred Females) 1972	Sex-ratio Male per hundred Females) 1981	Proportion 1981 Census	Density per sq. KM	Urban population as percentage of total population
1	2	3	4	5	6	7	8	9
Pakistan	65,309	83,782	28.28	114	111	100	105	28.28
N.W.F.P.	8,388	10,885	29.77	108	108	12.99	146	15.23
F.A.T.A....	2,491	2,175	(—)12.68	103	108	2.60	80	—
Punjab	37,610	47,116	25.28	116	111	56.24	229	27.53
Sind	14,156	18,966	33.98	115	110	22.63	134	43.37
Baluchistan	2,429	4,305	77.23	113	112	5.14	12	15.61
Islamabad	235	335	42.55	124	119	0.40	369	60.20

Source : Census Organisation, Census 1981.

TABLE 2.3

POPULATION BY RURAL—URBAN AREAS

(In thousand)

	1951	Per cent Share	1961	Per cent Share	1972	Per cent Share	1981	Per cent Share
Pakistan	33,740	100.0	42,880	100.0	65,309	100.0	83,782	100.0
Rural	27,785	82.4	33,225	77.5	48,716	74.6	60,088	71.72
Urban	5,955	17.6	9,655	22.5	16,593	25.4	23,694	28.28

Source : Census Organisation, Statistics. Division.

TABLE 2.4

POPULATION BY SEX, AGE AND URBAN/RURAL AREAS—1972 CENSUS

(in thousands)

Age Groups	Total			Urban			Rural		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
1	2	3	4	5	6	7	8	9	10
all ages	62,462	33,394	29,068	16,580	9,019	7,561	45,882	24,375	21,507
Below one year	1,611	886	725	386	210	176	1,225	676	549
1—4 years	7,802	3,840	3,962	2,009	1,013	996	5,793	2,827	2,966
5—9 years	10,131	5,316	4,815	2,532	1,318	1,214	7,599	3,998	3,601
10—14 years	7,835	4,384	3,451	2,155	1,171	984	5,680	3,213	2,467
15—19 years	5,333	2,910	2,423	1,602	861	741	3,731	2,049	1,682
20—24 years	4,563	2,351	2,212	1,395	747	648	3,168	1,604	1,564
25—29 years	4,646	2,450	2,196	1,316	722	594	3,330	1,728	1,602
30—34 years	3,961	2,057	1,904	1,088	595	493	2,873	1,462	1,411
35—39 years	3,329	1,790	1,539	923	518	405	2,406	1,272	1,134
40—44 years	3,063	1,646	1,417	826	479	347	2,237	1,167	1,070
45—49 years	2,328	1,284	1,044	603	359	244	1,725	925	800
50—54 years	2,313	1,319	994	573	344	229	1,740	975	765
55—59 years	1,183	641	542	274	158	116	909	483	426
60—64 years	1,773	1,042	731	394	234	160	1,379	808	571
65—69 years	714	401	313	147	85	62	567	316	251
70—74 years	904	524	380	181	106	75	723	418	305
75 years and above	973	553	420	176	99	77	797	454	343

Source : Population Census of Pakistan 1972.

N.B.—This table excludes the population of Federally Tribal Areas, Kohistan Area of Hazara District and Provincially Administered Tribal areas adjoining Hazara District where special census schedules were used, which did not permit tabulation as given in this table.

TABLE 2.5

LITERACY RATIO BY SEX, AGE AND RURAL/URBAN AREAS, 1972

(Percentages)

Age group/sex		All areas	Urban areas	Rural areas
10 years & above.	Total	21.7	41.5	14.3
	Male	30.2	49.9	22.6
	Female	11.6	30.9	4.7
10—14 years	Total	24.8	44.9	17.1
	Male	31.4	49.3	24.8
	Female	16.4	39.6	7.1
15- 19 years	Total	32.6	54.6	22.5
	Male	42.0	61.5	33.9
	Female	20.3	46.6	8.7
20—24 years	Total	28.4	50.1	18.8
	Male	40.3	60.1	31.1
	Female	15.7	38.6	6.2
25—34 years	Total	22.7	42.2	15.1
	Male	33.6	53.3	25.4
	Female	10.7	28.8	4.2
35—44 years	Total	18.0	36.3	11.1
	Male	26.7	46.6	18.5
	Female	7.9	22.5	2.9
45—54 years	Total	14.7	31.7	9.0
	Male	21.9	41.7	14.5
	Female	5.6	16.8	2.2
55 years and above	Total	10.5	23.4	7.1
	Male	15.8	32.4	11.3
	Female	3.5	10.9	1.5

Source: Population Census of Pakistan 1972.

TABLE 2.6

CIVILIAN LABOUR FORCE

(As percentage of Population)

	1968-69	1969-70	1970-71	1971-72	1974-75
Pakistan	29.49	30.34	30.41	29.90	29.50
Rural	30.53	31.40	31.54	30.97	30.74
Urban	26.33	27.27	27.02	26.47	26.48

Source: Labour Force Survey of respective years.

TABLE 2.7

CIVILIAN LABOUR FORCE OF PAKISTAN 1974-75 BY PROVINCE, SEX AND URBAN/RURAL

(Percentages)

	Total			Urban Areas			Rural Areas		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
1	2	3	4	5	6	7	8	9	10
Pakistan	29.50	27.49	2.02	26.48	25.35	1.12	30.77	28.38	2.39
N.W.F.P.	25.64	24.44	1.20	25.88	24.80	1.08	25.59	24.36	1.23
Punjab	30.34	27.92	2.42	26.92	25.81	1.10	31.48	28.62	2.86
Sind	28.72	27.25	1.47	26.03	24.84	1.18	31.39	29.64	1.75
Baluchistan	29.93	29.57	0.36	24.71	24.09	0.62	30.86	30.55	0.31

Source : Labour Force Survey, 1974-75.

TABLE 2.8

CIVILIAN LABOUR FORCE BY RURAL/URBAN AREAS

Age group/Sex		Civilian Labour Force as percent of total population			Employed Labour Force as percent of total civilian labour force.		
		Pakistan	Rural	Urban	Pakistan	Rural	Urban
10 years & above	Both Sexes ..	46.6	48.2	42.7	86.9	88.5	82.3
	Male	77.6	80.4	70.6	90.7	92.0	86.9
	Female	9.1	9.3	8.7	48.0	51.8	37.5
10—14 years	Both Sexes ..	26.6	29.8	18.8	64.4	70.8	39.5
	Male	39.5	44.8	26.1	72.6	78.0	49.1
	Female	10.4	10.4	10.2	24.8	30.9	10.7
15—19 years	Both Sexes ..	42.1	46.3	32.6	82.0	85.4	71.0
	Male	67.7	74.1	52.7	86.0	88.9	76.6
	Female	8.7	9.0	8.0	40.2	45.9	26.6
20—24 years	Both Sexes ..	51.9	52.9	49.6	82.2	83.9	78.0
	Male	87.4	90.3	81.1	86.0	87.5	82.4
	Female	10.8	10.8	10.9	46.2	49.7	38.1
25—29 years	Both Sexes ..	53.1	53.1	53.0	90.8	91.4	89.0
	Male	94.6	95.0	93.7	93.2	93.7	91.8
	Female	8.6	8.9	7.9	62.2	65.3	53.3
30—34 years	Both Sexes ..	54.2	54.1	54.2	92.0	92.4	90.8
	Male	96.3	96.4	96.0	94.5	94.9	93.4
	Female	8.8	9.2	7.7	62.1	64.4	54.4
35—39 yaers	Both Sexes ..	53.8	53.6	54.1	93.5	93.8	92.7
	Male	97.0	97.1	96.7	95.9	96.2	95.0
	Female	8.2	8.7	6.8	64.0	66.3	56.7
40—44 years	Both Sexes ..	56.3	56.3	56.4	93.8	94.2	92.6
	Male	96.7	97.0	95.9	96.1	96.6	94.7
	Female	8.6	9.1	7.1	63.1	64.3	58.7
45—49 years	Both Sexes ..	54.5	53.8	56.2	94.9	95.4	93.7
	Male	96.3	96.8	95.1	97.0	97.8	95.5
	Female	7.7	8.0	6.7	64.8	66.5	59.4
50—54 years	Both Sexes ..	58.8	58.9	58.5	93.4	94.2	90.9
	Male	94.3	95.3	91.3	96.0	96.7	93.6
	Female	9.4	9.4	9.6	58.4	60.0	53.5
55—59 years	Both Sexes ..	49.3	49.4	49.0	93.8	94.5	91.6
	Male	90.9	92.7	85.5	96.7	97.5	94.2
	Female	7.4	7.3	6.8	57.1	57.5	55.5
60—64 years	Both Sexes ..	55.3	57.3	48.1	92.5	93.5	88.0
	Male	85.6	88.5	75.1	95.3	96.1	91.2
	Female	8.6	8.4	9.2	50.7	50.6	50.6
65—69 years	Both Sexes ..	47.1	49.5	39.9	93.2	94.6	88.0
	Male	78.3	82.8	64.2	96.4	97.6	91.8
	Female	7.4	7.1	8.3	50.8	51.3	49.3
70—74 years	Both Sexes ..	46.2	49.0	36.1	89.0	90.4	82.6
	Male	68.9	72.9	54.2	92.6	93.7	87.2
	Female	8.3	8.0	8.7	39.1	39.5	37.9
75 years & above	Both Sexes	37.7	38.6	35.1	79.3	80.7	74.6
	Male	54.3	55.7	49.7	85.7	86.8	81.3
	Female	10.6	10.2	12.2	27.1	25.8	30.2

Source: Housing, Economic and Demographic survey, 1973.

TABLE 2.9

ESTIMATED SECTORAL EMPLOYMENT FOR THE YEAR 1979-80 AND PROJECTED EMPLOYMENT FOR 1980-81

Sector	1979-80		1980-81		Growth of Employment in 1980-81 over 1979-80
	Estimated Employment (Thousand)	Percent of the total	Projected Employment (Thousand)	Percent of the total	
1	2	3	4	5	6
Agriculture, forestry, hunting and fishing	12,985	65.14	13,310	55.91	2.5
Manufacturing (including mining and quarrying)..	3,127	13.52	3,236	13.58	3.5
Electricity, Water	116	0.50	119	0.50	3.0
Construction	960	4.15	992	4.18	3.3
Transport, storage and communication	1,093	4.73	1,131	4.75	3.5
Whole sale and retail trade, hotels and restaurants	2,483	10.73	2,580	10.84	3.9
Services (finance, insurance, real estate, business, community, social and personnel services	2,366	10.23	2,437	10.24	3.0
Total ..	23,130	100.00	23,805	100.00	2.9

Source : Manpower Division

TABLE 2.10

EMPLOYED PERSONS (10 YEARS AND ABOVE) 1973 BY MAJOR OCCUPATION GROUPS

(Percentage)

Major Occupation Groups	Both Areas	Urban	Rural
Total Pakistan	100.0	100.0	100.0
Professional, technical & related workers	5.1	8.6	4.0
Administrative and managerial workers	0.6	1.8	0.2
Clerical and related workers	3.3	9.6	1.4
Sales workers	8.4	20.8	4.5
Service workers	4.3	9.2	2.7
Agricultural, animal husbandry, forestry workers, fishermen and hunters	56.6	9.1	71.7
Production and related workers and transport equipment operators and labourers	20.7	39.5	14.7
Workers not classified by occupation	1.0	1.4	0.8

Source : Housing, Economic and Demographic Survey, 1973.

TABLE 2.11

LABOUR FORCE EMIGRATION FROM PAKISTAN

Year	No. of Workers
1971	3,534
1972	4,530
1973	12,300
1974	16,328
1975	23,077
1976	41,690
1977	140,445
1978	129,533
1979	118,259
1980	118,397

Source : Bureau of Emigration and Overseas Employment-Manpower Division.

3

NATIONAL INCOME

Over the last three decades the economy has undergone many structural changes and its various sectors have recorded a significant growth. Gross National Product at constant factor cost increased more than 4 times, from Rs. 12,380 million in 1949-50 to Rs. 56,237 million in 1980-81. The per capita income, generally taken as broad measure of economic prosperity, has not reflected a corresponding improvement as much of the growth in Gross National Product was diluted by high population growth. The contribution of agriculture and manufacturing towards Gross National Product has gone up from Rs. 6,595 million and Rs. 961 million in 1949-50 to Rs. 16,512 million and Rs. 8,542 million respectively in 1980-81.

2. To review its sectoral performance, the economy has been divided broadly into three sectors; commodity producing, services and net factor income from/to rest of the world. The commodity producing sector includes agriculture, industry and mining and quarrying and the services sector includes construction, electricity and gas distribution, wholesale and retail trade, banking and insurance, ownership of dwellings, public administration and defence and other services.

Pre-Plan Period (1950 to 1955) :

3. During this period the anuual average growth both in Gross National Product and Gross Domestic Product was 3.2 percent. The per capita income rose by 0.7 percent per annum. The value added in commodity sector increased by 2.7 percent per annum while that in services sector by 4.2 percent per annum. The overall lower growth of commodity producing sectors compared to services sector was due to the sluggish growth in agriculture sector, estimated at 1.3 percent per annum. The share of agriculture in the Gross National Product declined from 53.28 percent to 48.03 percent. However the manufacturing sector increased by 10.3 percent per annum during this period and its share in Gross National Product increased from 7.77 percent to 10.84 percent.

First Plan Period (1955—60) :

4. The economy maintained constant growth trends on the patterns of the pre-plan period. During 1955—60 Gross National Product and Gross Domestic Product increased by 3.0 percent against 3.2 percent during 1950—55. The commodity producing sector maintained a growth rate of 2.7 percent and the services sector recorded a decline in growth rate to 3.6 percent. The agriculture sector showed better performance. It registered an annual increase of 2.1 percent against 1.3 percent during 1950—55. The growth of the manufacturing sector declined to 5.2 percent per annum against 10.3 percent per annum during the pre-plan period. However, the growth in per capita income declined from 0.7 percent per annum during 1950—55 to 0.5 percent per annum during 1955—60.

Second Plan Period (1960—65) :

5. The period witnessed a significant improvement in economic growth and wide spread developments embracing all productive sectors of the economy. The Gross National Product and Gross Domestic Product increased by 6.8 percent per annum while the value added of the commodity producing and services sectors have increased by 5.7 percent and 8.3 percent per annum respectively against 2.6 percent and 3.6 percent during the First Plan period. Both the agriculture and manufacturing sector recorded higher growth rates at 3.8 percent and 11.7 percent per annum respectively against 2.1 percent and 5.2 percent during 1955—60. The per capita income increased by 3.8 percent per annum.

Third Plan Period (1965—70) :

6. The economy maintained rising trends during the third plan period. The Gross National Product and Gross Domestic Product increased by 6.3 percent per annum while the value added of the commodity producing sector increased by 6.8 percent per annum and that of the services sector by 6.7 percent per annum against 5.7 percent and 8.3 percent respectively during the second plan period. The agriculture sector showed a better growth performance of 6.3 percent per annum against 3.8 percent during the corresponding period while the growth rate of manufacturing sector declined from 11.7 percent per annum during the second plan period to 8.1 percent during the third plan period. The share of services sector increased from 40.64 per cent during 1964-65 to 44.59 percent in 1969-70. In commodity producing sector, the share of major crops has increased from 20.98 percent in 1964-65 to 23.36 percent in 1969-70 while that of large scale manufacture has increased from 10.83 percent to 12.50 percent during the same period.

7. The Fourth Five-Year Plan was abandoned due to dismemberment of the country in December, 1971. However, a series of annual plans was continued even in the subsequent period.

1970—77.

8. This period witnessed a decline in the growth trends of major sectors. The G.N.P. increased by 4.2 percent per annum against 6.8 percent per annum during 1965—70. The value added in the commodity producing sectors increased by 2 percent per annum against 6.8 percent per annum. Services Sectors increased by 5.7 percent against 6.7 percent. Agriculture Sector increased by 1.6 percent against 6.3 percent and manufacturing sector by 2.8 percent compared to 8.1 percent, while per capita income increased by 1.2 percent against 3.8 percent during 1965—70.

1977—81.

9. The Fifth Five-Year Plan was launched during 1977-78 and the series of annual plans was continued covering a period of four years. The economy which stagnated during the early period showed a sharp recovery during this period which is fully reflected in growth trend. G.N.P. has increased by 7 percent per annum during the period against 4.2 percent per annum during 1970-77. The value added in the commodity producing sector has increased by 5.5 percent against 2.0 percent, agriculture sector by 4.2 percent against 1.6 percent, manufacturing by 8.1 percent against 2.8 percent, services sector 6.9 percent against 5.7 percent, construction services by 7.8 percent against 7.0 percent and per capita income by 3.9 percent against 1.1 percent.

1980-81.

10. Gross Domestic Product has increased by 5.7 percent during 1980-81 against 7.0 percent during 1979-80. Though the growth rate is a bit lower in 1980-81 but the notable feature of this growth trend is that the commodity producing sector outpaced the services sector for two years in succession.

11. The value added in the commodity producing sector has increased by 6 percent and services sector by 5.4 percent during 1980-81. The per capita income increased by 2.6 percent against 3.6 percent during 1979-80.

12. The sectoral performance of the economy is discussed below :—

(*a*) *Agricuture* :

13. Agriculture which is the largest single commodity producing sector of the economy contributed 29.4 percent to the Gross National Product in 1980-81. Its value added estimated at Rs. 16,512 million registered a growth rate of 4.4 percent. It is the result of 4.9 percent growth in major crops, 3.5 percent in minor crops and 3.9 percent in other sub-sectors. The major and minor crops recorded lower growth rate than the last year.

(*b*) *Manufacturing* :

14. The value added of manufacturing sector recorded at Rs. 8,542 million was 15.19 percent of Gross National Product in 1980-81 compared with Rs. 7,822 million or 14.68 percent of Gross National Product in 1979-80. The contribution of large-scale industry to Gross National Product during 1980-81 is estimated at 10.77 percent with a growth of 10.0 percent against its share of 10.33 percent in Gross National Product and growth of 10.4 percent during 1979-80. Its remarkable growth has resulted from substantial increase in the production of sugar, vegetable ghee, fertilizer, cement and some other items. The small scale manufacturing recorded a growth rate of 7.3 percent in 1980-81.

Services Sector :

15. The services sector has contributed Rs. 27,692 million in 1980-81 compared with Rs. 26, 271 million in 1979-80. It grew by 5.4 per cent in 1980-81 compared to 6.2 percent in 1979-80. Its share in GNP has declined from 49.30 percent in 1979-80 to 49.24 percent in 1980-81. Except for banking and insurance, all services sectors have recorded positive growth. The highest growth of 10.6 percent was recorded in electricity and gas distribution followed by 6.7 percent in transport, storage and communication, 6.2 percent in wholesale and retail trade, 5.8 peiecnt in construction, 5.4 percent in other services and 3.6 percent in ownership of dwellings during 1980-81.

Net Factor Income from/to Rest of the World :

16. This sector contributed Rs.3,217 million or 5.72 percent of G.N.P. during 1980-81 against Rs. 3,135 million or 5.88 percent of G.N.P. during 1979-80. It registered a growth rate of 2.6 percent, slightly higher than 2.4 percent recorded during 1979-80.

Gross Domestic Product at Current Factor Cost :

17. Gross Domestic Product at current factor cost increased by 17.2 percent during 1980-81 against 18.8 percent during 1979-80 while in real terms it increased by 5.7 percent and 7.0 percent during the same period. The difference between the growth rates at current factor cost and constant factor cost reflects increase in Implicit G.D.P. Price Deflator. The deflator recorded an increase of 11.5 percent in 1980-81.

18. Gross National Product at current factor cost grew by 19.28 percent in 1980-81 compared to 19.32 percent last year. The differential between its growth rates at current and constant factor cost implies a 13.8 percent increase in Implicit G.N.P. Price Deflator.

Sources and Uses :

19. The total availability of goods and services in the country consists of Gross Domestic Product at market prices plus value of goods and services imported into the country, minus the value of exports of goods and services. Gross Domestic Product at market prices has been estimated at Rs. 276,815 million during 1980-81 compared to Rs. 235,523, million during 1979-80 showing a rise of 17.5 percent. The import of goods and services has been estimated at Rs. 62,176 million during 1980-81 and export of goods and services at Rs. 35,311 million. Thus the total availability of goods and services at current prices stands at Rs. 303,680 million which indicates an increase of 16.5 percent over the last year.

20. The total availability of goods and services are used for (i) fixed investment ; (ii) changes in stock; (iii) government consumption and (iv) private consumption.

21. An analysis of national resources has been made in terms of sources and uses. On sources side highest increase was registered at 20.5 percent in indirect taxes less subsidies, 17.5 percent in Gross Domestic Product at the market prices, 14.0 percent in import of goods and services while on the uses side the highest increase was registered at 40.0 percent in changes in stock followed by 19.8 percent in export of goods and services, 17.3 percent in private consumption, 16.2 percent in public consumption and 11.6 percent in fixed investment.

22. Table 3.1 shows growth trend of sources and uses at current prices.

23. Tables 3.2-3.4 show the G.N.P. at constant factor cost from 1949-50 to 1980-81; and at current factor cost from 1959-60 to 1980-81 and the expenditure on national product at current prices from 1969-70 to 1980-81.

24. The methodology of the national income estimation as used in Pakistan is given in Annexure 'A'.

Annexure 'A'

METHODOLOGY OF NATIONAL INCOME ESTIMATION IN PAKISTAN

The concept of national income, as defined by the United Nations and used in Pakistan, is synonymous with Net National Product at factor cost. Net National Product is equal to Gross National Product minus allowance for depreciation of capital assets used in the process of production. Gross National Product represents Gross Domestic Product *plus* net factor income payments from/to rest of the world.

Gross Domestic Product :

Gross Domestic Product is the value of goods and services produced minus the value of inputs in the country within a year. GDP may be measured either at market prices or at factor cost. Gross Domestic Product at market prices minus indirect taxes and inclusive of subsidies is equal to Gross Domestic Product at factor cost.

Method of Estimation :

Product, income and expenditure form a circular flow, as such it is necessary to measure national income at three different points and by three different approaches namely a sum of value added by the various producing factors in the country adjusted for factor income payments to and from abroad, a sum of distributive shares of the factors of production and a sum of final expenditure on consumption and investment adjusted for imports and exports. Finally, one must be carefull with regard to correction for depreciation of fixed capital so that the various elements in the aggregate are clearly identified as either gross or net. Since the measurements of national income through any one of these approaches should yield identical results, they provide a check against one another. Provided double counting is avoided, there is no harm in deriving national income estimates by a combination of more than one method according to the availability of data.

Method of Estimation of GNP in Pakistan :

Due to the paucity of basic data required for the estimation of GNP, a single method of estimation is not used. The GNP has been estimated on the basis of the combination of product, income and expenditure method, depending upon the availability of information. Product approach is applied in agriculture, mining and quarrying, manufacturing and construction. Income approach, using the wages, profits, rent and interest of the productive agents, as resorted to in case of banking and insurance, ownership of dwellings, public administration and defence and services. As expenditure accounts are available for electricity, gas and water sectors, the expenditure approach is employed to estimate respective contribution to national income.

TABLE 3.1

SOURCES AND USES AT CURRENT PRICES

(Million Rupees)

Sources	1979-80 (Revised)	1980-81 (Provisional)	Growth %	Uses	1979-80 (Revised)	1980-81 (Provisional)	Growth %
(i) GDP at current factor cost	212,471	249,038	17.2	(i) Fixed investment ..	39,275	43,829	11.6
(ii) Indirect taxes less subsidies	23,052	27,777	20.5	(ii) Changes in Stock ..	2,000	2,800	40.0
(iii) GDP at market prices ..	235,523	276,815	17.5	(iii) Public consumption ..	22,551	26,200	16.2
(iv) Import of goods and services	54,540	62,176	14.0	(iv) Private consumption ..	196,752	230,851	17.3
				(v) Export of goods and services	29,485	35,311	19.8
Sources	290,063	338,991	16.9	Uses	290,063	338,991	16.9

Source : Statistics Division.

TABLE 3.2

GROSS NATIONAL PRODUCT AT CONSTANT FACTOR COST OF 1959-60.

(Million Rupees)

SECTORS	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	195-58	1958-59
1. **Agriculture**	**6595**	**6768**	6155	6166	**7005**	**6948**	**7093**	**7254**	**7393**	**7689**
Major Crops	3428	3524	2894	2807	3539	3461	3524	3650	3694	3931
Minor Crops	822	844	803	846	993	859	882	852	884	891
Livestock	2270	2326	2383	2440	2497	2553	2610	2667	2724	2780
Fishing	44	44	49	39	43	43	51	51	52	56
Forestry	31	30	26	34	33	32	26	34	39	31
2. Mining & Quarrying	27	37	41	42	45	45	50	55	59	64
3. **Manufacturing**	**961**	**1042**	**1123**	**1235**	**1396**	**1569**	**1727**	**1821**	**1889**	**1968**
Large Scale	277	342	406	502	646	802	942	1018	1068	1128
Small Scale	684	700	717	733	750	767	785	803	821	840
4. Construction	179	187	247	262	283	289	323	337	386	459
5. Electricity & Gas Distribution Services	27	29	31	30	35	37	43	57	63	66
6. Transport, Storage and Communication	617	654	667	721	764	823	845	878	890	1064
7. Wholesale and Retail Trade ..	1477	1567	1575	1585	1685	1777	1818	1876	1939	1988
8. Banking & Insurance	55	60	66	71	77	79	96	118	116	131
9 Ownership of Dwellings	632	649	670	686	704	725	745	769	796	815
10. Public Administration & Defence ..	873	895	1039	9937	969	1014	1030	1003	981	1077
11. Services	955	993	1033	1074	1117	1162	1208	1256	1307	1359
12. **Gross Domestic Product**	**12398**	**12881**	**12647**	**12865**	**14080**	**14468**	**14978**	**15404**	**15815**	**16680**
13 Net Factor Income from to Rest of the world	(—)18	(—)18	(—)11	(—)13	(—)27	(—)4	(—)20	(—)17	(—)4	(—)10
14. **Gross National Product**	**12380**	**12863**	**12636**	**12852**	**14053**	**14464**	**14958**	**15407**	**15811**	**16670**
15. Population (in million)	35.31	36.18	37.07	37.98	38.91	39.87	40.86	41.87	42.90	43.95
16. Per Capita Gross Income (in rupees)	351	356	341	338	361	363	366	368	369	379

Note :—The above series has been prepared in the Economic Adviser's Wing of Finance Division in consultation with the Statistics Division.

(*Contd.*)

TABLE 3.2

GROSS NATIONAL PRODUCT AT CONSTANT FACTOR COST OF 1959-60.

(Million Rupees)

SECTORS	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65-	1965-66	1966-67	1967-68	1968-69
1. **Agriculture**	**7711**	**7695**	**8171**	**8597**	**8813**	**9270**	**9318**	**9829**	**10982**	**11478**
Major Crops	3882	3840	4209	4595	4509	4888	4821	5137	6078	6408
Minor Crops	893	869	918	891	1129	1130	1172	1284	1406	1516
Livestock	2837	2887	2940	2996	3048	3121	3178	3242	3307	3373
Fishing	71	67	70	77	85	91	97	114	135	121
Forestry	28	32	34	38	42	46	50	52	56	60
2. Mining & Quarrying	70	81	86	96	113	122	133	133	137	141
3. **Manufacturing**	**2018**	**2278**	**2581**	**2870**	**3196**	**3514**	**3816**	**4032**	**4289**	**4659**
Large Scale	1159	1394	1671	1934	2233	2523	2796	2982	3209	3548
Small Scale	859	884	910	936	963	991	1020	1050	1080	1111
4. Construction	427	612	596	700	897	1029	1079	1039	1037	1317
5. Electricity & Gas Distribution Services	87	99	99	122	142	172	197	207	224	251
6. Transport, Storage and Communication	952	1059	1031	1142	1176	1588	1688	1761	1856	1965
7. Wholesale & Retail Trade ..	2105	2251	2427	2665	2935	3166	3440	3621	3754	4020
8. Banking and Insurance	160	176	191	213	232	320	355	400	447	485
9. Ownership of Dwellings	837	858	888	916	943	976	1006	1039	1067	1099
10. Public Administration and Defence ..	1048	1062	1103	1134	1244	1465	2293	1962	1912	2008
11. Services	1411	1478	1537	1601	1665	1782	1801	1878	1954	2031
12. **Gross Domestic Product**	**16826**	**17649**	**18710**	**20056**	**21356**	**23360**	**25126**	**25901**	**27659**	**29454**
13. Net Factor Income from/to Rest of the World	(—)23	(—)25	(—)27	(—)48	(—)34	(—)61	(—)47	(—)48	(—)23	(—)29
14. **Gross National Product**	**16803**	**17624**	**18683**	**20008**	**21322**	**23299**	**25079**	**25853**	**27636**	**29425**
15. Population (in million)	45 .03	46 .20	47 .53	48 .90	50 .31	51 .76	53.26	54 .79	56 .37	58 .00
16. Per Capita Gross Income (in rupees)	373	381	393	409	424	450	471	472	490	507

(*contd.*)

TABLE 3.2
GROSS NATIONAL PRODUCT AT CONSTANT FACTOR COST OF 1959-60.

(Million Rupees)

SECTORS	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79 (Revised)	1979-80 (Revised)	1980-81 (Provisional)
1. **Agriculture**	**12574**	**12188**	12611	12821	**13357**	13074	13659	13998	**14364**	**14789**	**15814**	**16512**
Major Crops ..	7553	7045	7336	7473	7844	7455	7833	7944	8115	8315	9087	9530
Minor Crops	1363	1418	1507	1478	1585	1679	1839	1920	1962	2023	2103	2177
Livestock	3440	3509	3579	3651	3724	3799	3875	3993	4129	4281	4441	4616
Fishing	170	155	125	128	115	82	86	96	100	110	121	127
Forestry	48	61	64	91	89	59	26	45	58	60	62	62
2. Mining & Quarrying	157	156	159	161	180	181	175	206	212	221	**250**	**274**
3. **Manufacturing**	**5186**	**5318**	5130	5678	**6101**	**6136**	**6231**	**6258**	**6833**	**7145**	**7822**	**8542**
Large Scale	4042	4090	3813	4265	4585	4509	4486	4385	4823	4988	5507	6058
Small Scale	1144	1228	1317	1413	1516	1627	1745	1873	2010	2157	2315	2484
4. Construction	1357	1390	1163	1346	1490	1754	2094	2076	2248	2371	2644	2797
5. Electricity & Gas Distribution Services	639	741	780	903	1068	949	985	1143	1244	1366	1531	1693
6. Transport, Storage and Communication	2026	1979	2025	2355	2466	2575	2605	2649	3023	3241	3487	3719
7. Wholesale and Retail Trade ..	4457	4469	4447	4743	5449	5622	5724	5660	6180	6469	6947	7380
8. Banking and Insurance	579	635	640	826	879	1006	1039	1124	1256	1337	1312	1302
9. Ownership of Dwellings	1112	1149	1188	1231	1275	1321	1369	1418	1469	1522	1577	1634
10. Public Administration & Defence ..	20.80	2133	2278	2599	2983	3972	3854	4135	4657	4920	5062	5243
11. Services	2169	2276	2391	2516	2653	2803	2964	3060	3319	3510	3711	3924
12. **Gross Domestic Product**	**32336**	**32434**	**32812**	35179	**37901**	**39393**	**40699**	**41727**	**44805**	**46891**	**50157**	**53020**
13. Net Factor Income from/to Rest of the World	(+)2	(—)72	(+)71	(+)181	(+)184	(+)258	(+)711	(+)1295	+2675	+3062	+3135	+3217
14. **Gross National Product**	**32338**	**32362**	**32883**	35360	**38085**	**39651**	**41410**	**43022**	**47480**	**49953**	**53292**	**56237**
15. Population (in million)	59.70	61.49	63.34	65.24	67.20	69.21	71.29	73.34	75.63	77.90	80.23	82.60
16. Per Capita Gross Income (in rupees)	542	526	519	542	567	573	581	586	628	641	664	681

Source.—*Statistics Division.*

Note :—These series may not be comparable with the similar series published earlier because of the following reasons :

(i) The income originating in PIA, Banking and Insurance, Federal Government and Net Factor Income from/to Rest of the World for which the data was available combined for former East and West Pakistan have now been allocated to the present Pakistan on the basis of the ratios worked out and used in 1970-71 right from 1959-60.

(ii) As per decision of National Accounts Committee in its twelfth meeting, the estimates have been revised from 1969-70 onwards by excluding the value added in Pakistan Broadcasting and Pakistan Television Corporation from Public Administration and Defence sector as their contributions have been transferred to Transport, Storage and Communication Sector.

(iii) The estimate prior to 1973-74 do not include expenditure on food and clothing of defence personnel.

(iv) The estimate of net factor income from abroad for the years 1975-76 to 1980-81 includes remittances both in cash and kind.

(v) The series of the value added of small-scale manufacturing has been revised from 1969-70 to 1980-81 on the basis of Statistics Division's Survey of Small & Household Manufacturing Industries (SHMI) 1969-70 and Punjab SHMI Surrvey 1975-76.

TABLE 3.3

GROSS NATIONAL PRODUCT AT CURRENT FACTOR COST

(Million Rupees)

SECTOR	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
1. **Agriculture**	**7,711**	**8,184**	**8,216**	**8,565**	**9,499**	**10,438**	**10,572**	**12,460**	**13,994**	**14,038**
Major Crops	3,882	4,111	4,079	4,361	4,955	5,720	5,669	6,604	7,329	7,466
Minor Crops	893	900	911	864	1,150	1,346	1,448	1,943	2,159	1,709
Livestock	2,837	3,064	3,110	3,203	3,238	3,199	3,254	3,688	4,256	4,615
Fishing	71	79	83	98	116	127	138	151	159	148
Forestry	28	30	33	39	40	46	63	74	91	100
2. Mining and Quarrying	70	83	89	102	119	140	152	158	165	181
3. **Manufacturing**	**2,018**	**2,278**	**2,617**	**3,025**	**3,409**	**3,766**	**4,301**	**4,719**	**5,219**	**6,046**
Large Scale	1,159	1,383	1,688	2,043	2,390	2,704	3,151	3,490	3,905	4,604
Smajl Scale	859	895	929	982	1,019	1,062	1,150	1,229	1,314	1,442
4. Construction	427	607	602	739	960	1,103	1,216	1,216	1,262	1,709
5. Electricity and Gas Distribution Services	87	102	105	127	157	200	229	269	291	309
6. Transprt, Storage and Commnication	952	1,098	1,115	1,200	1,285	1,850	2,009	2,325	2,524	2,705
7. Wholesale and Retail Trade.. ..	2,105	2,320	2,505	2,706	3,159	3,690	4,100	4,786	5,116	5,538
8. Banking and Insurance	160	186	206	226	257	348	398	490	557	625
9. Ownership of Dwellings	837	875	924	953	1,000	1,083	1,187	1,340	1,403	1,516
10. Public Administration and Defence...	1,048	1,111	1,160	1,206	1,344	1,658	2,687	2,464	2,483	2,645
11. Services	1,411	1,505	1,600	1,640	1,756	1,926	2,118	2,395	2,528	2,673
12. **Gross Domestic Product**	**16,826**	**18,349**	**19,139**	**20,489**	**22,945**	**25,202**	**28,969**	**32,622**	**35,542**	**37,985**
13. Net Factor Income from/ to Rest of the World	(—)23	(—)26	(—)27	(—)49	(—)35	(—)55	(—)50	(—)48	(—)23	(—)30
14. **Gross National Product**	**16,803**	**18,323**	**19,112**	**20,440**	**22,910**	**25,147**	**28,919**	**32,574**	**35,519**	**37,955**
15. Population (in million) ..	45.03	46.20	47.53	48.90	50.31	51.76	53.26	54.79	56.37	58.00
16. Per Capita Gross Income (in rupees).	373	397	402	418	455	505	543	595	630	654

(contd.)

TABLE 3·3

GROSS NATIONAL PRODUCT AT CURRENT FACTOR CORT

(Million Rupees)

SECTOR	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79 (Revised)	1979-80 (Revised)	1980-81 (Provisional)
1. **Agriculture**	**15,964**	**16,236**	**17,934**	**21,907**	**28,084**	**33,533**	**38,338**	**43,686**	**49,522**	**57,411**	**65,722**	**74,625**
Major Crops	9,103	8,832	10,067	12,346	15,331	18,268	20,572	22,484	26,965	30,901	35,538	39,233
Minor Crops	1,999	2,244	2,408	2,833	3,777	5,003	6,030	6,963	7,697	8,421	9,098	10,534
Livestock	4,547	4,794	5,053	6,169	8,247	9,629	11,130	13,395	13,741	16,843	19,566	22,867
Fishing	233	261	295	379	476	383	447	552	708	801	1,034	1,444
Forestry	82	105	111	180	253	250	159	292	411	445	486	547
2. Mining and Quarrying	229	243	268	386	560	793	968	1,196	1,234	1,378	2,226	2,865
3. **Manufacturing**	**6,963**	**7,570**	**7,773**	**9,695**	**12,751**	**17,479**	**20,054**	**22,234**	**25,201**	**28,133**	**34,796**	**42,006**
Large-Scale	5,427	5,822	5,777	7,282	9,583	12,844	14,438	15,579	17,788	19,640	24,498	29,791
Small-Scale	1,536	1,748	1,996	2,413	3,168	4,635	5,616	6,655	7,413	8,493	10,298	12,215
4. Construction	1,822	1,979	1,763	2,298	3,114	4,996	6,739	7,376	8,291	9,336	11,762	13,755
5. Electricity and Gas Distribution Services	661	782	823	955	1,217	1,264	1,713	1,916	2,448	3,397	4,789	5,627
6. Transport, Storage and Communication	2,943	3,014	3,250	4261	5,587	7,404	8,338	9,252	11,260	13,044	15,451	18,712
7. Wholesale and Retail Trade ..	6,475	6,806	7,138	8,582	12,346	16,166	18,321	19,769	23,106	26,033	30,782	37,127
8. Banking and Insurance	771	882	968	1,408	1,801	2,612	3,021	3,573	4,273	4,931	5,356	6,035
9. Ownership of Dwellings	1,614	1,752	1,913	2,237	2,868	3,766	4,356	4,931	5,460	6,082	7,000	8,255
10. Public Administration and Defence ..	2,769	2,963	3,445	4,430	5,750	8,113	9,490	10,371	13,155	13,898	16,858	18,732
11. Services	3,134	3,475	3,894	4,636	6,363	8,514	10,085	11,382	13221	15,158	17,729	21,299
12. Gross Domestic Product	43,345	45,702	49,169	60,795	80,441	104,640	121,423	135,686	157,171	178,801	212,471	249,038
13. Net Factor Income from/to rest of the World	(+)3	(—)82	(+) 99	(+)463	(+)617	(+)1147	(+)2992	(+)5480	(+)12139	(+)14514	(+)18187	(+)26094
14. **Gross National Product**	**43,348**	**45,620**	**49,268**	**61,258**	**81,058**	**105,787**	**124,415**	**141,166**	**169,310**	**193,315**	**230,658**	**275,132**
15. Population (in million)	59 .70	61 .49	63 .34	65 .24	67 .20	69 .21	71 .29	73 .43	75 .63	77 .90	80 .23	82 .60
16. Per Capita Gross Income (in rupees)..	726	742	778	939	1,206	1,528	1,745	1,922	2,239	2,482	2,875	3,331

Source.—Statistics Division.

TABLE 3.4

EXPENDITURE ON NATIONAL PRODUCT AT CURRENT PRICES

(Million Rupees)

Flows	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79 (R)	1979-80 (R)	1980-81 (P)
Private Consumption Expenditure	36,667	38,726	40,721	50,139	69,942	92,120	104,911	118,965	141,683	164,499	196,752	230,851
General Government Current Consumption Expenditure	4,846	5,270	6,478	7,724	8,539	11,950	14,343	15,816	17,977	19,177	22,551	26,200
Gross Domestic Fixed Capital Formation ...	6,835	7,045	6,813	7,647	10,614	16,218	22,770	26,421	28,976	31,427	39,275	43,829
Change in stocks ...	706	847	850	1,000	1,000	2,000	—	1,000	1,000	1,750	2,000	2,800
Export of Goods and Services ...	3,637	3,922	3,923	9,961	11,960	12,994	13,881	13,991	16,629	21,529	29,485	35,311
Import of Goods and Services ...	—4,942	—5,323	—4,727	—9,598	—15,202	—23,016	—23,858	—26,741	—32,600	—42,510	—54,540	—62,176
Expenditure on Gross Domestic Product at Market Prices ...	47,749	50,487	54,058	66,873	86,853	112,266	132,051	149,452	173,665	195,872	235,523	276,815
Net Factor Income from/to rest of the World ...	+3	—82	+99	+463	+617	+1,147	+2,992	+5,480	+12,139	+14,514	+18,187	+26,094
Expenditure on Gross National Product at Market Prices ...	47,752	50,405	54,157	67,336	87,470	113,413	135,043	154,932	185,804	210,386	253,710	302,909
Indirect Taxes ...	—4,636	—4,978	—5,117	—6,600	—9,486	—11,560	—13,642	—15,650	—19,604	—24,058	—3,0151	—34,751
Subsidies... ...	+232	+193	+228	+522	+3,074	+3,934	+3,014	+1,884	+3,110	+6,987	+7,099	+6,974
Gross National Product at Factor Cost	43,348	45,620	49,268	61,258	81,058	105,787	124,415	141,166	169,310	193,315	230,658	275,132

R—Revised.
P—Provisional.

Source.—Statistics Division.

NOTE—The import of goods and services includes non-cash imports of Rs. 1,120 million, Rs. 1,780 million, Rs. 2,500 million Rs, 3002 million Rs. 3740 millon and Rs. 5136 million for 1975-76, 1976-77, 1977-78, 1978-79, 1978-80, and 1980-81 respectively.

4

AGRICULTURE

Agriculture plays a vital role in the economy of Pakistan. Although significant structural changes in the economy over the past three decades have taken place yet it is the largest single sector of the economy and contributes 29.4 pr cent to GNP, besides providing livelihood to a majority of its people and meeting the raw material requirements of domestic industry to a great extent. Since independence the sector has expanded substantially but has witnessed varying growth in the past depending on the weather conditions and the Government policy pursued for its development.

2. The agriculture sector did not get due priority in the First Plan and thus its annual growth was slow at 2.1 per cent during the First Plan period (1955—60) The production targets in case of wheat, rice, cotton, sugarcane and toabacco could not be achieved. However, the production of food crops rose only by 3.2 per cent and cash crops by 4.5 per cent during the First Plan period.

3. Due priority was accorded to agriculture during the Second Plan and concerted efforts were made to boost its growth. The annual growth during the Second Plan (1960—65) was recorded at 3.8 per cent and surpassed the population growth rate of 2.6 per cent. This impressive achievement was the result of institutional changes, expanded use of essential inputs such as water, fertilizer, improved seeds and pesticides and favourable weather conditions. It is estimated that ground water development accounted for about 13 per cent increase in the value of crop output, fertilizer 5 per cent, plant protection 4 per cent, improved seeds 3 per cent and other factors 1 per cent during the Second Plan period. The production of food crops recorded an annual increase of 3.7 per cent during the Second Plan period compared to 3.2 per cent in the First Plan. The rise in cash crops production was more pronounced as it was registered at 12.3 per cent per annum as against 4.5 per cent during the First Plan. Total production of principal crops recorded an annual increase of 9.3 per cent. The production targets of wheat, rice, sugarcane and tobacco were either achieved or exceeded. However, the target of cotton production could not be achieved due to pest attack.

4. The Third Five Year Plan (1965—70) envisaged a growth target of 5 per cent for the agriculture sector. A growth rate of 6.3 per cent was achieved. It is estimated that water development accounted for 18 per cent increase in crop — output, fertilizer and improved seeds 14 per cent each, plant prtoection 1 per cent and other factors 2 per cent during the five years of Third Plan. The production of food crops recordeed an increase of 8.5 per cent during the Third Plan compared to 3.7 per cent during the Second Plan. Cash crops registered a rise of 8.0 per cent per annum compared to 12.3 per cent during the Second Plan. Similarly, total principal crops recorded an annual increase of 7.5 per cent during the Third Plan compared to 9.3 per cent during the Second Plan. The production targets of wheat, rice and sugarcane were exceeded ; however, cotton production target could not be achieved due to unfavourable weather and flood in cotton growing areas.

5. The progress made in the agriculture sector during the Second and Third Plan periods could not be maintained during the subsequent seven year

period and the annual growth rate of the sector declined to 1.6 per cent during 1970—77 period compared to 3.8 per cent during the second Plan and 6.3 per cent during the Third Plan. Unfavourable weather in some years, disturbed political condition, heavy floods in 1973, Tarbela mishap in1974-75, utimely and heavy rain-falls in 1975-76 and scanty winter rains during 1976 and severe pest attack specially on cotton crops in 1975-76 and 1976-77 were the main factors responsible for sluggish growth in agriculture during this period. The production of food crops, cash crops and total principal crops recorded an increase of 2.9 per cent, 2.4 per cent and 2.5 per cent respectively during 1970-77 period compared to 8.5 per cent, 8 per cent and 7.5 per cent respectively during the Third Plan period.

6. The Government accorded due priority to farming sector in its development plans during 1977—81 period. Its agricultural policy aims at increasing farm production not only to achieve self-sufficiency but also to boost exports and thus to improve the quality of rural life. Timely and adequate availability of essential inputs has been ensured to the farmers. The procurement/support prices of important crops such as wheat, paddy, sugarcane and cotton have been revised upward. Sale of fertilizers and installation of tubewells are being subsidized. The Government is also providing increased credit facilities at easy terms to the farmers. Small farmers owning up to 5.06 hectares (12-1/2 acres) are given interest free-loans. The limit of such loans has been raised from Rs. 5,000 to Rs. 6,000. Import of tractors has been liberalized. Water management programme has also been started in the irrigated zones to cut-down water losses in transmission.

7. The efforts made by the Government in the farming sector during 1977—81 period showed encouraging results and a growth rate of 4.2 per cent was achieved during this period and 4.4 per cent in 1980-81. The production of wheat, rice, sugarcane, cotton and maize recorded a substantial rise during this period, and touched new peaks. The marked improvement in wheat output brought the country near self-sufficiency and during 1980-81 wheat imports were drastically cut-down. Cotton production which was badly affected during 1972—77 period showed remarkable improvement during 1977—81 period and was recorded at 4.0 million bales (392 lbs. each) in 1980-81. Sugarcane production at 32.140 million tonnes in 1980-81 surpassed all previous records. The brief description of the development in sub-sectors of agriculture is given in the ensuing pargarphs.

LAND UTILIZATION

8. Total cultivated area was recorded at 14.69 million heactares in 1947-48 which increased to 15.32 million heactares in 1954-55 at the beginning of the First Plan. This grew by 1.5 per cent annually during the First Plan, 2.6 per cent annualy during the Second Plan, 0.6 per cent annually during Third Plan, 0.4 per cent annually during 1970—77 period and 0.9 per cent during 1977-80 period. Similarly, total cropped area rose by 2.1 per cent annually during the First Plan and Second Plan, 0.7 per cent anually during the Third Plan, 1.2 per cent during the 1970—77 period and 1.1 per cent annually during 1977—80 period.

9. During 1979-80 the latest year for which land utilization figures are available total cultivated area showed an increase of 0.9 per cent to 20.30 million hectares in 1979-80 over the preceding year. However, there was a fall of 1.9 per cent to 18.80 million hectares in total cropped area mainly as a result of a decline in area sown more than once by 13.3 per cent in 1979-80 compared with

the previous year. Net area sown recorded a rise of 0.9 per cent to 15.48 million hectares in 1979-80 over 1978-79. The area under forests remained constant at 2.84 million hectares in 1979-80. Table 4.1 indicates land utilization statistics since 1947-48.

10. The production index of major crops (1959-60-100) recorded a rise of 4.2 per cent to 249 in 1980-81 over the preceding year. The marked improvement in the production index in 1980-81 was the result of bumper wheat, sugarcane and maize crops. The index for food crops showed an increase of 2.5 per cent to 251 during 1980-81 compared to the previous year. Bumper wheat and maize crops in 1980-81 contributed to this rise in food crops. The index of fibre crops remained constant in 1980-81. The index for non-food crops rose up by 14.3 per cent to 240 in 1980-81 over the last year. This marked imporvement was the result of a record production of sugarcane in 1980-81 over the preceding year. Table 4.2 gives production index of major crops since 1948-49.

Area under major crops :

11. The area under major crops of wheat, rice, bajra, jowar, maize, barley, gram, sugarcane, rapeseed and mustard, sesamum, cotton and tobacco has increased from 9.285 million hectares in 1947-48 to 14.998 million hectares in 1980-81. Its annual growth was 1.8 per cent during the First Plan, 1.9 per cent during the Second Plan, 1.6 per cent during Third Plan, 0.8 per cent during 1970-77 period and 1.1 per cent during 1977—81 period. Of the total area in 1980-81 46.1 per cent was under wheat, 12.9 per cent under rice, 2.7 per cent under bajra, 2.6 per cent under jowar, 5.0 per cent under maize, 1.1. per cent under barley, 6.5 per cent under gram, 5.5 per cent under sugarcane, 3.0 per cent under rapeseed and mustard 0.3 per cent under sesamum, 14.0 per cent under cotton and 0.3 per cent under tobacco respectively. Table 4.3 shows the trend of area under principal crops since 1947-48 and table 4.6 of oil seeds.

Production of Major Crops :

12. The production of major crops which stood at 11.421 million tonnes in 1947-48 rose to 49.682 million tonnes in 1980-81. Its annual growth was 3.6 per cent during the First Plan, 9.3 per cent during the Second Plan, 75 per cent during the Third Plan, 2.5 per cent during 1970—77 period and 3.0 per cent during 1977-81 period. Of the total production in 1980—81, wheat contributed 23.1 per cent, rice 6.3 per cent, bajra 0.4 per cent, jowar 0.5 per cent, maize 1.9 per cent, barley 0.2 per cent, gram 0.7 per cent, sugarcane 64.7 per cent, rapeseed and mustard 0.5 per cent, sesamum 0.1 per cent, cotton 1.4 per cent and tobacco 0.2 per cent . Table 4.4 and 4.5 indicates production and yield per hectare trends of major crops since 1947-48.

Irrigation Water :

13. The water availability at farm gate increased by 8.62 per cent to 63 million acre feet (MAF) by the end of Second Plan period compared to 1959-60, 19.84 per cent to 75.50 MAF by the end of Third Plan, 12.0 per cent to 84.57 MAF in 1976-77 and 15.63 per cent to 97.79 MAF in 1980-81. Some 34,000 private tubewells had been installed by the end of the Second Plan and another 45,000 tubewells were installed during the Third Plan period 1965—70. During 1970—77 period 64,185 tubewells were installed. This tempo was maintained during 1977—81 period and 35,065 tubewells were installed during this period. The Government has raised the subsidy rates on tubewells installtion. The revised rates for diesel tubewells are as under :—

Rs. 24,000 for Barani Areas;

Rs. 20,000 for Salabi Areas and

Rs. 16,000 for Canal Commanded Areas.

Fertilizer :

14. The use of fertilizer has been continuously rising since the Second Plan period. The fertilizer off-take which was only 19,400 nutrient tonnes by the end of First Plan, *i.e.*, 1959-60, recorded a sharp rise of 69.89 per cent to 87,200 nutrient tonnes on an annual basis during 1964-65 end of the Second Plan. Off-take of fertilizer increased by 50.57 per cent annually to 307,700 nutrient tonnes during 1969-70 the end of Third Plan. However, the off-take slowed down during 1970—77 period and an annual increase of 15.02 per cent was recorded during this period. The off-take improved during 1977—81 period at an annual growth rate of 17.76 per cent.

Improved Seeds :

15. The quantity of improved seeds of major crops distributed increased from 30,000 tonnes in 1959-60 to 31,498 tonnes by the end of the Second Plan and 36,576 tonnes by the end of the Third Plan. During 1970—77 period the quantity of improved seeds distribution slowed down and on an annual basis 36,000 tonnes of improved seeds were distributed during this period. However, during the subsequent period, the quantity of improved seeds used rose quite sharply. The quantity increased to 59,107 tonnes in 1979-80 and 60,504 tonnes in 1980-81. The crops whose improved seeds are being distributed include wheat, paddy, cotton, maize, gram and sugarcane.

Plant Protection :

16. An area of 1.49 million hectares was covered both by ground and aerial operations by the end of the First Plan, which increased to 2.46 million hectares by the end of the Second Plan, but fell to 1.67 million hectares by the end of Third Plan. However, it again went up to 3.94 million hectares in 1977-78 and was estimated at 1.77 million hectares in 1980-81. Efforts are being made to cover as much area as possible under both curative and preventive measures.

Agricultural Credit :

17. There has been an impressive expansion in the credit programme of the Government particularly in the recent years. There has been a substantial rise in credit disbursement since the First Plan period. Various credit agencies disbursed a sum of Rs. 87·58 million during 1959-60 and by the end of the Second Plan, the credit disbursed rose to Rs. 127·54 million and further to Rs. 155.30 million during 1969-70. Since then, there has been a steep rise in credit disbursement and went up to Rs. 1,716·49 million in 1976-77 and to Rs. 4,009·57 million in 1980-81. The small farmers owning 5.06 hectares (12.5 acres) or less have been given production loans free of interest. The limit of free interest loans was raised from Rs. 5,000 to Rs. 6,000 during 1980-81.

Procurement/Support Prices of Major Agricultural Commodities :

18. The Government has adopted a policy of revising the procurement/support prices of major agricultural crops before sowing of these crops every year. Besides other factors, the cost of production of each crop is also taken into account while fixing the price of each commodity. This has been done with a view to protecting the interest of the growers. The prices for the period from 1947-48 to 1980-81 are given in tables 4.8 and 4·9.

TABLE 4.1

LAND UTILIZATION

(Million Hectares)

Year		Total area	Reported area	Forest area	Not available for cultivation	Cultivated Area: Cultivable waste	Cultivated Area: Current fallow	Cultivated Area: Net area sown	Cultivated Area: Total area cultivated Cols. (8+7)	Area sown more than once	Total cropped area Cols. (8+10)
1		2	3	4	5	6	7	8	9	10	11
1947-48 ...	...	79.611	46.07	1.38	20.82	9.18	4.01	10.68	14.69	0.95	11.63
1948-49 ...	...	,,	47.27	1.35	20.63	9.13	3.75	11.41	15.16	0.93	12.34
1949-50 ...	...	,,	46.55	1.37	20.88	9.32	3.62	11.36	14.98	1.12	12.48
1950-51 ...	...	,,	46.45	1.39	20.75	9.16	3.54	11.61	15.15	1.27	12.88
1951-52 ...	...	,,	46.44	1.40	20.57	9.36	3.82	11.29	15.11	0.95	12.24
1952-53 ...	...	,,	46.58	1.28	20.76	9.25	4.03	11.25	15.28	0.84	12.09
1953-54 ...	...	,,	46.59	1.24	20.67	9.14	3.42	12.12	15.54	1.14	13.26
1954-55 ...	...	,,	46.66	1.26	20.71	9.37	3.46	11.86	15.32	1.42	13.28
1955-56 ...	...	,,	46.56	1.28	20.63	8.99	3.34	12.32	15.66	1.57	13.89
1956-57 ...	...	,,	46.65	1.30	20.61	8.73	3.38	12.63	16.01	1.53	14.16
1957-58 ...	...	,,	48.48	1.30	20.50	10.44	3.69	12.55	16.24	1.38	13.93
1958-59 ...	...	,,	48.46	1.29	20.38	10.59	3.28	12.92	16.20	1.41	14.33
1959-60 ...	...	,,	48.46	1.34	20.59	10.02	3.44	13.07	16.51	1.60	14.69
1960-61 ...	...	,,	50.99	1.68	18.73	12.46	4.85	13.27	18.12	1.59	14.86
1961-62 ...	...	,,	50.92	1.66	18.57	12.79	4.26	13.64	17.90	1.61	15.25
1962-63 ...	...	,,	50.83	1.67	18.43	12.70	4.25	13.78	18.03	1.69	15.47
1963-64 ...	...	,,	51.38	1.80	18.38	12.87	4.92	13.41	18.33	1.72	15.13
1964-65 ...	...	,,	52.83	1.97	18.78	13.36	4.56	14.16	18.72	2.09	16.25
1965-66 ...	...	,,	53.04	2.08	18.70	13.02	5.31	13.93	19.24	1.61	15.54
1966-67 ...	...	,,	52.93	2.08	18.54	13.05	5.03	14.23	19.26	2.18	16.41
1967-68 ...	...	,,	53.16	2.28	18.87	12.58	4.55	14.88	19.43	2.06	16.94
1968-69 ...	...	,,	52.95	1.88	20.53	11.25	5.04	14.25	19.29	1.99	16.24
1969-70 ...	...	,,	52.93	1.84	20.40	11.46	4.70	14.54	19.23	2.24	16.77
1970-71 ...	...	,,	53.55	2.83	20.40	11.11	4.77	14.44	19.21	2.18	16.62
1971-72 ...	...	,,	53.49	2.72	20.43	11.25	4.75	14.34	19.09	2.26	16.60
1972-73 ...	...	,,	53.75	2.81	20.73	11.09	5.05	14.07	19.12	2.86	16.93
1973-74 ...	...	,,	53.91	2.85	20.53	11.15	4.19	15.19	19.38	3.19	18.28
1974-75 ...	...	,,	53.92	2.80	20.32	11.25	4.78	14.77	19.55	2.60	17.37
1975-76 ...	...	,,	53.92	2.84	20.63	10.62	4.77	15.06	19.83	2.96	18.02
1976-77 ...	...	,,	54.97	2.86	21.47	10.88	4.69	15.07	19.76	3.14	18.21
1977-78 ...	...	,,	54.96	2.89	20.92	11.05	4.88	15.22	20.10	3.27	18.49
1978-79 (P)	...	,,	54.96	2.84	20.99	11.02	4.78	15.33	20.11	3.83	19.16
1979-80 (P)	...	,,	55.09	2.84	21.02	11.93	4.82	15.48	20.30	3.32	18.80

(P) Provisional.

Source : Ministry of Food, Agriculture and Cooperative.

TABLE 4.2

PRODUCTION INDEX OF MAJOR CROPS

(1959-60=100)

Year July—June	All Crops	Food Crops	Fibre Crops	Other Crops
1948-49	89	..	..	..
1949-50	86	..	..	..
1950-51	90	..	..	..
1954-55	90	..	..	..
1955-56	86	..	..	..
1959-60	100	100	100	100
1960-61	100	98	103	103
1961-62	109	105	111	122
1962-63	119	108	128	151
1963-64	118	108	144	124
1964-65	128	120	130	162
1965-66	127	107	142	181
1966-67	135	114	156	189
1967-68	157	150	171	170
1968-69	168	160	181	184
1969-70	186	177	185	214
1970-71	174	164	188	195
1971-72	183	170	245	169
1972-73	188	181	243	163
1973-74	196	190	228	188
1974-75	187	183	220	171
1975-76	199	207	176	193
1976-77	203	212	149	224
1977-78	209	208	197	223
1978-79	219	238	162	212
1979-80	239	245	250	210
1980-81 (P)	249	251	250	240

P.—Provisional.

Source : Statistics Division.

TABLE 4.3

AREA UNDER PRINCIPAL CROPS

(000 hectares).

Crops	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
Wheat	3,954	4,286	4,183	4,370	4,107	3,817	4,215	4,261	4,521	4,689	4,608	4,829
Rice	790	840	933	968	884	908	1,016	959	969	972	1,073	1,151
Bajra	808	942	958	972	816	895	1,044	887	891	926	747	811
Jowar	426	478	551	508	453	533	612	455	537	549	386	444
Maize	364	382	401	378	393	392	430	430	429	431	431	456
Barley	168	232	201	174	174	196	210	182	183	183	196	198
Total—Foodgrains	6,510	7,160	7,227	7,370	6,827	6,741	7,527	7,174	7,530	7,750	7,441	7,889
Gram	882	1,132	970	1,115	854	822	1,036	1,232	1,314	1,279	1,213	1,219
Total—Food Crops	7,392	8,292	8,197	8,485	7,681	7,563	8,563	8,406	8,844	9,029	8,654	9,108
Sugarcane ...	189	197	219	188	190	253	292	305	286	319	397	428
Rapeseed and Mustard	429	453	367	461	552	427	436	516	576	551	545	552
Sesamum ...	26	17	20	23	25	24	27	24	23	25	26	24
Cotton	1,237	1,051	1,110	1,221	1,343	1,385	1,161	1,269	1,407	1,438	1,453	1,325
Tobacco	12	15	17	21	22	17	25	43	32	30	37	36
Total—Cash Crops	1,893	1,733	1,733	1,914	2,132	2,106	1,941	2,157	2,324	2,363	2,458	2,365
Total—Principal Crops ...	9,285	10,025	9,930	10,399	9,813	9,669	10,504	10,563	11,168	11,392	11,112	11,473

TABLE 4.3

AREA UNDER PRINCIPAL CROPS

(000 hectares).

Crops	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
Wheat	4,878	4,639	4,923	5,022	5,019	5,318	5,155	5,344	5.983	6,160
Rice	1,204	1,181	1,214	1,186	1,286	1,356	1,393	1,409	1,419	1,555
Bajra	805	746	832	852	741	911	840	837	914	736
Jowar	456	475	513	486	467	585	594	558	584	473
Maize	482	480	473	459	500	486	542	554	608	616
Barley	217	187	187	196	177	185	154	162	174	156
Total—Foodgrains	8,042	7,708	8,142	8,201	8,190	8,841	8,678	8,864	9,682	9,696
Gram	1,142	1,106	1,194	1,219	1,113	1,210	1,069	1,244	1,121	958
Total—Food Crops	9,184	8,814	9,336	9,420	9,303	10,051	9,747	10,108	10,803	10,654
Sugarcane	397	388	444	531	477	530	597	649	504	541
Rapeseed and Mustard	561	499	451	494	475	488	442	460	542	442
Sesamum	31	31	44	30	27	34	29	30	32	28
Cotton	1,343	1,293	1,396	1,374	1,471	1,467	1,561	1,620	1,785	1,745
Tobacco	38	39	45	46	44	49	58	72	70	65
Total—Cash Crops	2,370	2,250	2,380	2,475	2,494	2,568	2,687	2,831	2,933	2,821
Total—Principal Crops	11,554	11,064	11,716	11,895	11,797	12,619	12,434	12,939	13,736	13,475

TABLE 4.3

AREA UNDER PRINCIPAL CROPS

(000 hectares).

Crops	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	178-79	1979-80	1980-81 (P)
Wheat	6,229	5,977	5,797	5,971	6,113	5,812	6,111	6,390	6,360	6,687	6,912	6,914
Rice	1,622	1,503	1,456	1,480	1,512	1,604	1,710	1,749	1,899	2,026	2,035	1,935
Bajra	631	750	759	612	733	545	624	648	641	659	561	407
Jowar	491	558	507	500	589	445	476	447	520	469	423	399
Maize	648	640	633	645	632	614	620	624	656	650	701	745
Barles	157	141	157	164	205	194	186	174	167	178	159	167
Total—Foodgrains	9,778	9,569	9,309	9,372	9,784	9,214	9,727	10,032	10,243	10,669	10,791	10,567
Gram	928	914	965	1,017	1,108	996	1,068	1,095	1,099	1,224	1,128	962
Total—Food Crops	10,706	10,483	10,274	10,389	10,892	10,210	10,795	11,127	11,342	11,893	11,919	11,529
Sugarcane ..	620	636	552	533	645	673	700	788	822	752	718	823
Repessed and Mustard	479	510	562	534	536	451	470	519	412	433	409	449
Sesamum ..	23	31	42	29	33	23	28	30	32	46	46	45
Cotton	1,755	1,733	1,957	2,010	1,845	2,031	1,852	1,865	1,843	1,891	2,081	2,109
Tobacco	60	61	51	44	47	54	45	50	53	48	50	43
Total—Cash Crops	2,937	2,971	3,164	3,150	3,106	3,232	3,095	3,252	3,162	3,170	3,304	3,469
Total—Principal Crops	13,643	13,454	13,438	13,539	13,998	13,442	13,890	14,379	14,504	15,063	15,223	14,998

(P) Provisional

Source.—Ministry of Food, Agriculture, and Cooperatives.

TABLE 4.4

PRODUCTION OF PRINCIPAL CROPS

(000 tonnes).

Crops	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
Wheat	3,354	4,038	3,924	3,993	3,010	2,405	3,645	3,186	3,370	3,638
Rice	693	748	805	865	730	832	921	838	841	844
Bajra	301	345	376	392	269	271	468	355	346	369
Jowar	205	247	271	248	208	224	232	225	253	259
Maize	359	379	407	387	383	352	408	433	457	469
Barley	113	178	148	131	101	93	129	106	128	116
Total—Foodgrains ..	5,025	5,935	5,931	6,016	4,701	4,177	5,803	5,143	5,395	5,695
Gram	472	766	609	756	429	321	571	604	699	692
Total—Food Crops ..	5,497	6,701	6,540	6,772	5,130	4,498	6,374	5,747	6,094	6,387
Sugarcane	5,529	6,947	7,849	5,506	5,399	7,266	8,956	8,836	8,200	8,947
Rapeceed and Mustard	175	188	144	199	200	127	166	219	221	226
Sesamum	9	6	6	8	7	6	6	6	6	6
Cotton	197 (1,106)	172 (964)	220 (1,239)	250 (1,406)	249 (1,397)	317 (1,784)	254 (1,425)	281 (1,583)	299 (1,678)	304 (1,711)
Tobacco	14	18	26	30	36	26	38	74	49	46
Total—Cash Crops ..	5,924	7,331	8,245	5,993	5,891	7,742	9,420	9,416	8,775	9,529
Total—Principal Crops ..	11,421	14,032	14,785	12,765	11,021	12,240	15,794	15,163	14,869	15,916

TABLE 4.4

PRODUCTION OF PRINCIPAL CROPS

(000 tonnes).

Crops	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
Wheat	3,564	3,907	3,909	3,814	4,026	4,170	4,162	4,591	3,916	4,335
Rice	876	992	995	1,030	1,227	1,095	1,192	1,350	1,317	1,365
Bajra	278	314	329	306	370	422	361	446	370	371
Jowar	186	215	233	220	248	251	238	293	274	277
Maize	447	489	485	439	488	489	526	528	540	587
Barley	127	129	139	120	116	113	111	118	83	88
Total—Foodgrains	5,478	6,046	6,090	5,929	6,475	6,540	6,590	7,326	6,500	7,023
Gram	663	577	608	610	623	678	610	672	539	635
Total—Food Crops	6,141	6,623	6,698	6,539	7,098	7,218	7,200	7,998	7,039	7,658
Sugarcane	11,294	12,489	10,662	11,641	14,357	18,439	16,140	18,668	22,309	21,982
Rapeseed and Mustard	233	266	239	214	205	257	211	214	182	203
Sesamum	6	6	8	7	11	8	8	9	7	7
Cotton	304 (1,708)	283 (1,587)	292 (1,639)	301 (1,691)	324 (1,823)	367 (2,060)	419 (2,354)	378 (2,124)	414 (2,331)	463 (2,605)
Tobacco	56	58	61	60	70	71	75	82	110	140
Total—Cash Crops	11,893	13,102	11,262	12,223	14,967	19,142	16,853	19,351	23,022	22,795
Total—Principal Crops	18,034	19,725	17,960	18,762	22,065	26,360	24,053	27,349	30,061	30,453

TABLE 4.4

PRODUCTION OF PRINCIPAL CROPS

(000 tonnes).

Crops	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81 (P)
Wheat	6,418	6,618	7,294	6,476	6,890	7,442	7,629	7,673	8,691	9,144	8,367	9,950	10,805	11,475
Rice	1,499	2,032	2,401	2,200	2,262	2,330	2,455	2,314	2,618	2,737	2,950	3,272	3,216	3,120
Bajra	413	330	302	355	360	304	351	266	308	311	318	317	277	214
Jowar	291	262	284	329	312	302	378	266	281	261	284	252	249	234
Mize	791	626	667	717	705	706	767	747	802	764	821	799	875	947
Barley	108	97	104	91	103	109	139	137	130	124	121	129	118	118(r)
Total—Foodgrains ..	9,520	9,965	11,052	10,168	10,632	11,193	11,719	11,403	12,830	13,341	12,861	14,719	15,540	16,108
Gram	481	528	506	494	510	553	610	550	601	649	614	538	313	343
Total—Food Crops ..	10,001	10,493	11,558	10,662	11,142	11,746	12,329	11,953	13,431	13,990	13,475	15,257	15,853	16,451
Sugarcane	18,660	21,971	26,370	23,167	19,963	19,947	23,911	21,242	25,547	29,523	30,077	27,326	27,498	32,140
Rapeseed and Mustard ..	275	229	255	269	301	287	292	248	267	296	236	248	247	281
Sesamum	9	8	8	10	14	10	12	8	11	12	13	19	19	18
Cotton	518 (2,911)	.528 (2,967)	535 (3,012)	542 (3,050)	708 (3,979)	702 (3,947)	659 (3,704)	634 (3,567)	514 (2,890)	435 (2,446)	575 (3,233)	473 (2,662)	728 (4,096)	714 (4,018)
Tobacco	130	125	117	113	87	63	66	77	58	73	74	68	78	(78r)
Total—Cash Crops ..	19,592	22,861	27,285	24,101	21,073	21,009	24,940	22,209	26,397	30,339	30,975	28,134	28,570	33,231
Total—Principal Crops	29,593	33,354	38,843	34,763	32,215	32,755	37,269	34,162	39,828	44,329	44,450	43,391	44,423	49,682

(P) Provisional

Note : Figures in brackets indicate 000 bales for cotton.

(r) Last year's figures repeated.

Source : Ministry of Food, Agriculture and Cooperatives.

TABLE 4.5

YIEDL PER HECTARE OF PRINCIPAL CROPS

(Kilograms)

Crops	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
Wheat	849	941	941	913	729	627	867	747	747	775	775	812	802
Rice	876	885	867	895	830	904	904	867	867	867	812	858	830
Bajra	369	424	397	406	332	304	452	415	387	397	369	387	406
Jowar	480	516	489	489	461	424	378	489	470	470	480	489	507
Maize	987	987	1,015	1,024	978	895	950	1,005	1,060	1,088	1,033	1,070	1,005
Barley	673	765	738	756	581	480	609	590	700	634	648	652	641
Gram	535	673	627	673	498	387	553	489	534	544	544	470	535
Sugarcane (tonnes)	29 .2	35 .2	35 .8	29 .3	28 .4	28 .6	29 .1	29 .0	28 .6	28 .1	28 .4	29 .2	26 .9
Rapeseed and Mustard	406	415	397	433	360	295	378	424	369	406	424	452	424
Sesamum	346	353	300	348	280	249	222	250	260	240	231	250	258
Cotton	157	166	203	203	184	231	221	221	212	212	212	212	212
Tobacco	1,181	1,217	1,540	1,448	1,623	1,522	1,540	1,697	1,549	1,540	1,531	1,614	1,577

TABLE 4.5

YIELD PER HECTARE OF PRINCIPAL CROPS

(Kilograms)

Crops	1960-61	1961-62	1962-63	1963-6	1964-65	1965-66	1966-67	1967-68	1968-69
Wheat	820	812	830	830	830	756	812	1,070	1,070
Rice	876	932	922	922	996	941	968	1,051	1,310
Bajra	406	442	498	489	489	443	443	452	452
Jowar	461	489	516	507	498	461	498	498	553
Maize	913	1,024	1,061	1,051	1,088	996	1,061	1,300	1,015
Barley	646	618	572	627	636	535	544	618	636
Gram	553	526	553	544	553	507	507	433	553
Sugarcane (tonnes)	30 .0	32 .3	34 .7	33 .8	37 .1	37 .4	33 .8	37 .0	40 .6
Rapeseed and Mustard ..	433	452	516	443	443	415	443	507	516
Sesamum	226	250	267	296	265	241	233	321	286
Cotton	231	231	267	286	258	267	286	286	304
Tobacco	1,549	1,549	1,540	1,706	1,687	1,891	1,946	1,845	1,928

TABLE 4.5

YIELD PER HECTARE OF PRINCIPAL CROPS

(Kilograms)

Crops	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81 (P)
Wheat	1,171	1,079	1,190	1,245	1,245	1,320	1,420	1,430	1,316	1,488	1,563	1,660
Rice	1,485	1,466	1,549	1,577	1,623	1,439	1,531	1,565	1,553	1,615	1,581	1,612
Bajra	470	470	470	498	480	489	489	480	496	482	494	526
Jowar	581	590	618	600	646	600	590	585	546	538	588	587
Maiz	1,024	1,125	1,116	1,098	1,208	1,217	1,291	1,224	1,251	1,228	1,248	1,271
Barley	655	646	655	664	683	710	701	709	724	728	741	707
Gram	480	544	526	544	553	553	563	593	559	440	278	357
Sugarcane (tonnes)	42.5	36.4	36.2	37.4	37.0	31.6	36.4	37.5	36.6	36.3	38.3	39.1
Rapeseed & Mustard	535	526	535	535	544	553	572	571	573	573	604	626
Sesamum ..	348	341	323	350	378	360	378	397	399	409	419	400
Cotton	304	314	360	350	360	314	277	233	312	250	350	339
Tobacco	1,927	1,863	1,716	1,430	1,411	1,411	1,293	1,437	1,399	1,429	1,560	N.A.

(P) Provisional.

N.A.—Not available.

Source :—Ministry of Food, Agriculture and Cooperatives.

TABLE 4.6

AREA AND PRODUCTION OF OIL SEEDS

(Area 000 Hectares/Production 000 Tonnes)

Year	Rapeseed & Mustard		Sesamum		Cotton Seed		Linseed		Ground Nut		Total	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
1	2	3	4	5	6	7	8	9	10	11	12	13
1947-48	429	175	26	9	1,237	393	2	1	1	(b)	1,695	578
1948-49	452	188	17	6	1,051	342	2	1	(a)	(b)	1,522	537
1949-50	367	145	20	6	1,110	440	2	1	2	1	1,501	593
1950-51	461	199	24	8	1,221	500	3	2	1	(b)	1,710	709
1951-52	552	200	25	7	1,343	497	3	2	1	(b)	1,924	706
1952-53	427	127	24	6	1,385	635	3	1	1	1	1,840	770
1953-54	435	166	27	6	1,161	507	7	4	1	1	1,632	684
1954-55	516	220	24	6	1,269	563	5	2	1	1	1,815	792
1955-56	576	222	24	6	1,407	596	5	2	2	2	2,014	828
1956-57	551	226	25	6	1,439	609	9	4	2	3	2,026	848
1957-58	545	233	26	6	1,453	608	5	2	4	4	2,032	853
1958-59	552	266	24	6	1,325	564	5	2	4	4	1,910	842
1959-60	561	239	32	8	1,343	583	7	3	3	5	1,945	838
1960-61	499	214	31	7	1,293	603	5	3	11	16	1,840	843
1961-62	451	205	44	11	1,396	648	5	2	11	15	1,907	881
1962-63	495	257	30	8	1,374	733	7	4	12	14	1,918	1,016
1963-64	475	211	27	8	1,471	837	6	3	16	17	1,995	1,076

1	2	3	4	5	6	7	8	9	10	11	12	13
1964-65	488	214	34	9	1,467	755	7	4	17	20	2,013	1,002
1965-66	442	182	28	7	1,561	829	6	3	23	30	2,060	1,051
1966-67	460	203	30	7	1,620	927	7	3	34	47	2,151	1,187
1967-68	542	274	32	9	1,785	1,034	7	4	51	74	2,417	1,396
1968-69	442	229	28	8	1,745	1,055	7	3	35	53	2,257	1,348
1969-70	479	255	23	8	1,756	1,071	6	3	43	62	2,307	1,399
1970-71	510	269	31	10	1,733	1,084	6	3	30	44	2,310	1,410
1971-72	562	301	42	14	1,958	1,414	8	4	41	57	2,610	1,790
1972-73	534	287	30	10	2,010	1,403	9	5	31	44	2,614	1,748
1973-74	536	292	33	12	1,845	1,316	9	5	38	54	2,461	1,679
1974-75	451	248	23	8	2,031	1,268	8	4	41	57	2,554	1,584
1975-76	470	267	28	11	1,852	1,027	8	4	44	62	2,402	1,371
1976-77	519	296	30	12	1,865	869	8	4	45	64	2,567	1,245
1977-78	412	236	32	13	1,843	1,149	10	6	51	72	2,348	1,476
1978-79	433	248	46	19	1,891	946	13	7	37	46	2,420	1,266
1979-80	409	247	46	19	2,081	1,458	10	6	41	50	2,587	1,780
1980-81 (P) ..	449	281	44	18	2,108	1,429	13	7	46	57	2,660	1,792

P.—Provisional.

(a) Below 500 hectares.

(b) Below 500 tonnes.

Source : Ministry of Food, Agriculture and Cooperatives.

TABLE 4.7

NUMBER OF TUBEWELLS INSTALLED IN PAKISTAN

(Numbers)

Year	Private	Public			Total
		SCARP	Others	Sub-total	
1969-70	7,393	296	38	334	7,727
1971-72	7,957	641	29	670	8,627
1972-73	8,200	1,948	112	2,060	10,260
1973-74	8,300	114	63	177	8,477
1974-75	8,200	520	143	663	8,863
1975-76	8,394	415	38	453	8,847
1976-77	7,500	1,265	2	1,267	8,767
1977-78	7,500	1,313	7	1,320	8,820
1978-79	8,100	500	42	542	8,642
1979-80	8,100	603	80	683	8,783
1980-81	—	—	—	—	8,820

Source : Planning and Development Division.

TABLE 4.8

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs. per 37.324 Kilograms/Maund).

Year	Wheat	Rice							Potato	Onion
		Basmati & Sela Basmati	Permal	Begmi	Kangni	Joshi	IRRI-6	IRRI-8		
1	2	3	4	5	6	7	8	9	10	11
1947-48	9.50	22.06 22.56	21.06	14.31	—	15.31	—	—	—	—
1948-49	9.75	20.50 21.00	18.50	13.43	—	13.75	—	—	—	—
1949-50	9.50	17.25 18.00	16.50 16.25	11.00	9.50	11.06	—	—	—	—
1950-51	9.50	No purchase	No purchase	No purchase	9.50	No purchase	No purchase	No purchase	—	—
1951-52	No purchase	Do.	Do.	Do.	10.50	Do.	Do.	—	—	—
1952-53	9.50	20.00	18.00	12.25	10.50	Do.	—	—	—	—
1953-54	12.50	20.00	18.00	14.00	11.50	Do.	—	—	—	—
1954-55	9.25	No scheme	No scheme	No scheme	8.25	Do.	—	—	—	—
1955-56	9.75	Do.	Do.	Do.	—	Do.	—	—	—	—
1956-57	10.00	Do.	Do.	Do.	—	—	—	—	—	—
1957-58	11.50	Do.	Do.	Do.	16.00	15.50	—	—	—	—
1958-59	12.50	25.00	20.00	17.00	16.00	15.00	—	—	—	—
1959-60	12.50	23.00	18.00	15.00	15.00	14.50	—	—	—	—
1960-61	13.50	24.00	19.00	16.00	16.00	15.50	—	—	—	—
1961-62	13.50	25.00	18.00	16.00	16.00	15.50	—	—	—	—

1		2	3	4	5	6	7	8	9	10	11
1962-63 ..	..	13.50	26.00	18.00	16.00	16.00	15.50	—	—	—	—
1963-64 ..	..	13.50	28.00	18.00	16.00	16.00	15.50	—	—	—	—
1964-65 ..	..	13.50	28.00	18.00	16.00	16.00	15.50	—	—	—	—
1965-66 ..	..	13.50	28.00	17.00	16.00	16.00	15.50	—	—	—	—
1966-67 ..	..	13.50 14.50	28.00	17.50	17.50	17.50	17.00	—	—	—	—
1967-68 ..	..	17.00	31.00	20.00	18.50	19.00	19.00	—	—	—	—
1968-69 ..	..	15.00	38.00	20.00	20.00	19.00	18.50	—	—	—	—
1969-70 ..	..	17.00	35.00	20.00	20.00	19.00	18.50	21.00	18.50	—	—
1970-71 ..	..	17.00	32.00	20.00	20.00	19.00	18.50	21.00	18.50	—	—
1971-72 ..	..	17.00	38.00	20.00	20.00	19.00	19.50	21.00	19.50	—	—
1972-73 ..	..	22.50	46.00	21.00	21.00	20.50	20.50	21.00	19.00	—	—
1973-74 ..	..	25.50	62.00	27.00	27.00	26.00	26.00	27.00	25.00	—	—
1974-75 ..	..	37.00	90.00	40.00	40.00	39.00	39.00	48.00	38.00	—	—
1975-76 ..	..	37.00	90.00	40.00	40.00	39.00	39.00	48.00	40.00	—	—
1976-77 (a)	..	37.00	—	—	—	—	—	—	—	25.00	18.00
1977-78 ..	..	37.00	95.00	—	—	39.00	—	46.00	38.00	25.00	18.00
1978-79 ..	..	45.00	110.00	—	—	39.00	—	49.00	38.00	25.00	18.00
1979-80 ..	..	46.65	110.00	—	—	39.00	—	49.00	38.00	25.00	18.00
1980-81 ..	..	54.12	127.84	—	—	39.00	—	58.77*	—	—	—

Note : Irri-6 subject to tolerance limit of 15% and rejection limit of over 20% w.e.f. 6th November for Punjab and 12th December 1974 for Sind, otherwise Rs. 48.00.
(*a*) Only paddy procurement prices were fixed for 1976-77.
*Irri-6 Superior grade Rs. 67.68.

Source : Ministry of Food, Agriculture and Cooperatives.

TABLE 4.9

MINIMUM GUARANTEED SUPPORT PRICES OF SUGARCANE AT MILL GATE SINCE 1971-72

(Rs. per 37.324 Kg./Maund

Year	N.W.F.P.	Punjab	Sind
1971-72	2.25	2.50	2.65
1972-73 (July to Sept. 1972)	3.10	3.35	3.50
October 1972 to December 1972	4.00	4.25	4.40
1973-74 (January to June 1974)	4.50	4.75	4.90
1974-75	5.00	5.25	5.40
1975-76	5.50	5.75	5.90
1976-77	5.50	5.75	5.90
1977-78	5.50	5.75	5.90
1978-79	5.50	5.75	5.90
1979-80	6.75	7.00	7.15
1980-81	8.75*	9.00	9.15

Source : Ministry of Food, Agriculture and Cooperatives.

*An additional Rs. 2.00 to Rs. 2.25 being paid by the millers in N.W.F.P.

TABLE 4.10

CONSUMPTION OF CHEMICAL FERTILIZERS

(Thousand Nutrient Tonnes)

Year	Consumption
1965-66	70.49
1966-67	111.83
1967-68	190.43
1968-69	244.64
1969-70	307.70
1970-71	283.20
1971-72	381.94
1972-73	436.50
1973-74	402.68
1974-75	425.49
1975-76	553.83
1976-77	631.30
1977-78	717.23
1978-79	879.81
1979-80	1044.05
1980-81	1079.65

Source : Ministry of Food, Agriculture and Cooperatives.

5

INDUSTRY

Industrial Development :

At the time of Independence in 1947, Pakistan had hardly any industrial base. There were only a few simple industries such as flour and rice mills, cotton ginning factories, one cement plant, confectionaries etc. Besides, basic infrastructural facilities, technical skill and other pre-requisites for development were extremely limited. The share of manufacturing sector in Gross Domestic Product (G.D.P.) was as low as 7.7 per cent or Rs. 961 million in 1949-50. Out of this only Rs. 277 million or 2.2 per cent was accounted for by large-scale manufacturing and Rs. 684 million or 5.5 per cent by small scale manufacturing. Over the years, this sector has considerably expanded, diversified and is now the second largest sector of the national economy. During 1980-81, it's share in G.D.P. was more than double the level in 1949-50 and its value added increased 9 times during the same period. During 1980-81, manufactured and semi-manufactured goods accounted for over 56.2 percent of total exports.

2. To overcome the initial difficulties in the way of industrialisation, the Government, besides developing infrastructural facilities, set up the Pakistan Industrial Development Corporation (P.I.D.C.) in 1950 to play the pioneering role of establishing such industries which the private enterprise was unable to undertake either because they were technologically complex or needed large investment. By the end of December, 1973, P.I.D.C. had completed 62 projects at a capital cost of Rs. 1,242.6 million. Some of the major projects completed by P.I.D.C. include fertilizer factories, Machine Tool Factory at Landhi, Heavy Mechanical Complex at Taxila, Karachi Shipyard and Engineering Works, Cement Plants etc. In March, 1974, the P.I.D.C. was placed under the administrative control of the Board of Industrial Management (B.I.M.).

3. With a view to meeting the credit requirements of industry the Government set up two specialised credit institutions—the Pakistan Industrial Credit and Investment Corporation (P.I.C.I.C.) in 1957 and the Industrial Development Bank of Pakistan (I.D.B.P.) in 1961. Subsequently, the industrial credit structure was strengthend by setting up other institutions such as Small Business Finance Corporation, National Development Finance Corporation, Bankers Equity Ltd., etc.

4. To fill the technological gap, a number of engineering universities/colleges and polytechnics have been established. Besides, a number of non-financial institutions have been set up which directly or indirectly assist industrial development. Some of these institutions are : Small Industries Corporations/Departments at the provincial level, Investment Advisory Centre of Pakistan (I.A.C.P.), Pakistan Industrial and Technical Assistance Centre (P.I.T.A.C.), Pakistan Standards Institute (P.S.I.), Central Testing Laboratories (C.T.L.), Patents and Designs Department, etc.

5. The fiscal and monetary policies were geared to encourage industrial development in the country. Among the fiscal incentives, tax concessions, lower duty on the imports of industrial raw materials and machinery and the tax holiday were heavily relied upon to boost industrial production. Foreign exchange at a lower than the open market rate was provided in adequate amount for the import of industrial raw material and machinery. Liberal loan facilities were also made available.

Record of Progress :

6. As a result of the combined efforts of the public and the private sectors, coupled with fiscal incentives and other facilities provided by the Government, the manufacturing sector showed impressive performance. During the 50s, the industrial sector recorded an average annual growth rate of 8.3 per cent. The second plan (60—65) witnessed 11.7 per cent growth in this sector. The growth rate fell to 8.1 per cent per annum in 1965-70. During early and mid 70s the sector experienced a deep recession. The chief causes for this include large scale nationalization, international stagflation and oil price hike.

7. A change in the government in 1977 brought about a major reversal in government industrial policy. (The new industrial policy has been reviewed in the succeeding section). This not only arrested a further decline in production but resulted in the recovery witnessed over the last four years, 1977—81. The growth of manufacturing sector was recorded at 8.1 per cent per annum during 1977—81 compared to 2.8 per cent per annum during 1970—77.

Measures to Encourage Industry (1977—81) :

8. Since July, 1977, a large number of measures aiming at reviving private sector's confidence and encouraging industrial investment and production have been taken. Some principal measure are given below :—

A—Policy/Institutional Measures :

(*i*) Denationalization :—In 1972, the Federal Government took over the management of 32 large scale industrial units falling under 10 categories of industries under the Economic Reform Order, 1972. Thereafter in 1976 agrarian industries like rice husking, flour and cotton ginning mills were also nationalized. In September 1977, the present government took a bold decision and announced denationalisation of these agro-based industrial units.

(*ii*) Demarcation between Public and Private Sectors :—A demarcation formula indicating the areas in which the public and private sector could operate was announced in December 1977, as a result heavy and basic chemicals and cement industries were opened for development by the private sector.

(*iii*) Industries involving investment of Rs. 5.0 million (F.E.C. Rs. 2.5 million) were exempted from obtaining prior sanction except those which involved substantial recurring import liability and those based on machinery the import of which is banned under import policy. This limit has now been raised to Rs. 20.0 million (F.E.C. Rs. 10 million).

(*iv*) Tax Holiday Scheme.—In March, 1978, the government announced a 5-year tax holiday and remission of import duty on machinery for industries set up in specified under-developed area of the country. Prior to this, a 5-year tax holiday had already been announced for Baluchistan. The coverage of the scheme has been extended to more areas and additional industries during the subsequent years.

(*v*) Transfer of Managed Establishments.—In September 1978, the government promulgated the Transfer of Managed Establishments Order empowering the Federal Government to offer to the former owners

of nationalised industries the shares or proprietary interest in acquired establishment. As a result, the Nowshera Engineering Co. Limited and Lahore Engineering and Foundry Limited were returned to their former owners. The government has also shown willingness to examine any request for denationalisation on case-by-case basis.

(*vi*) Protection of Rights of Investors.—Another significant measure taken to encourage industrial investment is the promulgation of " Protection of Rights in Industrial Property Order, 1979 ". According to this Order, industrial unit cannot be acquired arbitrarily by the Government, as was done under the " Economic Reforms Order, 1972 ".

(vii) *Industrial Investment Schedule* (*IIS*) : Industrial Investment Schedule for the Fifth Plan period was announced in April, 1979. The industrial investment schedule is an instrument for guiding and assisting private and public sector industrial investment towards channels which would fulfil the objectives and strategy of industrial sector as indicated in the plan. The size of the schedule is Rs. 39,288 million with a foreign exchange component of Rs. 21,314,.5 million. Of the total size, Rs. 31.821 million are for new capacity and Rs. 7.467 million for balancing, modernisation and replacement of the existing industries. Provisions in IIS of Rs. 39.3 billion are considerably higher than the provision made in the Fifth Plan for investment in the industrial field by the private sector (Rs. 19 billion) and by the public sector in new projects (Rs. 4.8 billion). The difference is meant to cushion any possible shortfall, non-implementation of projects after obtaining sanction and spill over of actual investment into the next Plan period.

B—Monetary Incentives :

(*i*) In July 1978, the interest rate on loans for fixed investment in industry and agriculture was reduced from 12-1/2 per cent to 11 per cent. This is less than the interest of 14 per cent charged on commercial loans. Margin requirements for establishing L/Cs for importing some industrial raw material have also been reduced. The scope of the Export Finance Scheme has been expanded and the rate of interest on bank advances for items covered by the scheme has been reduced, in stages, from 10 to 3 per cent. In the case of the exports of locally manufactured machinery, the interest rate on bank advances has been reduced to 2 per cent.

C-Fiscal Incentives :

(*i*) With effect from September 4, 1978, compensatory rebates have been allowed on F.O.B. value of the export s of cotton textile products, *i.e.*, 7-1/2 per cent in the case of yarn, 10 per cent in the case of grey cloth and 12-1/2 per cent in the case of finished cloth and made-up of textiles. Besides the textile industry, compensatory rebate at the rate of 12-1/2 per cent of F.O.B. value has also been allowed on the export of the following items :—

(*a*) manufacture of engineering goods including electrical appliances and machinery, and transportation equipments :

(*b*) Canvas foot-wear ;

(*c*) acetate yarn ;

(*d*) tyre code at the rate of 10% of F.O.B. value ;

(*e*) cutlery ;

(*f*) sports goods ; and

(*g*) surgical instruments.

As a further incentive to the cotton textile industry, central excise duties on cotton cloth and other cotton products such as hosiery and towels,

and import duty on textile machinery for balancing and modernisation and new machinery imported for manufacture of garments have been abolished.

(*ii*) Tax holiday for industrial units to be set up in the specified under-developed areas of the country has been extended to more areas. In the 1979-80 Budget, industries located in Azad Kashmir, Northern Areas and Tribal Areas and the districts of Mansehra and Kohistan which hitherto enjoyed partial exemption have been allowed total tax holiday. The latter two districts have also been added to the list of the areas eligible for total exemption of customs duty on the import of plants and machinery. Other incentives provided to the industry include reduction in the import duty on raw materials/components used for capital goods from 40 to 30 per cent, increase in tax credit from 10 to 15 per cent of the cost of machinery and equipment meant for balancing and modernisation, abolition of tax on the issue of bonus shares etc.

(*iii*) In the 1980-81 Budget, the fiscal incentives allowed to industrial sector were further strengthened. Some of the principal incentives are: (a) income of the enterprise and of the foreign employees in industries established in the Export Processing Zone, Karachi have been exempted from tax for five years. This period is extendable in the light of their performance. (b) in order to revive sick industries, current year's losses of a wholly owned subsidiary company can be set off against current year's income of a listed holding company. This concession would be available for three years subject to the condition that the holding company gives a scheme of revival of the sick mill duly approved by financial institution and submits a report to the financial institution showing that steps for rehabilitation of the sick units are being taken as planned. (c) initial depreciation allowance to industrial machinery and building expiring on 30-6-1980 was extended upto 30-6-83. (d) tax holiday was extended to industries set up in industrial estates approved by the C.B.R. and located in N.W.F.P., the district of D.G. Khan and Mianwali and Tehsil Khushab in the Punjab and district of Dadu excluding Kotri district of Jacobabad and Shikarpur in Sind. (e) duty free import of machinery has been allowed for installation in units located in the industrial estates in N.W.F.P., district of Dera Ghazi Khan, and Mianwali and Tehsil Khushab of the Punjab Province, and districts of Shikarpur, Jacobabad and Dadu excluding Kotri, in the province of Sind. In addition, industrial estates located in areas other than the 13 notified developed areas, will be eligible for exemption in duty on imported machinery in excess of 10 percent (f) to encourage the ship breaking industry, the duty on ship for scrapping was reduced from 50 percent to 30 percent and the sales tax of 8 percent was abolished. In net terms, the incidence of taxes on the raw materials of this industry would be reduced by more than half. (g) import duty on machinery not manufactured locally for B.M.R. of the tanning, cultery, surgical goods, sports goods and leather garments and gloves industries was abolished.

(*iv*) Some additional fiscal measures have also been announced in the budget 1981-82: major among them are (a) ceiling of initial depreciation allowance admissible to plant and machinery has been raised from 25 per cent to 40 per cent. (b) monetary limit of investment for the purpose of tax rebate was increased from Rs. 40,000 to Rs. 45,000. (c) the standard rate of sales tax on all locally produced goods has been reduced from 20 per cent to 12-1/2 per cent. (d) a tax concession has been granted to domestic carpet exporting companies and engineering goods on account of publicity, and free sampling abroad at the rate of 1-1/3 times of the

actual expenditure (e) chip-board and particle-board having thickness of more than 7 mm. have been declared exempt from levy of sales tax (f) to encourage the manufacture of machinery and consumer durables, the duty on dies and moulds has been reduced from 40 to 20 per cent and sales tax has been entirely withdrawn (g) duty on the import of hydrogen peroxide, and important raw material for textile industry has been reduced from 85 to 40 per cent (h) in order to reduce the burden of surcharge on companies with a view to creating a better climate for investment it has been decided to reduce it from 10 percent to 5 percent (i) compensatory rebate at the rate of 12-1/2 per cent has been granted on the export of hand-knotted woollen carpets and leather goods (j) to encourage the marble industry, duty free concession has been allowed on the B.M.R. import of machinery for this industry and to the Gemstone Corporation for the import of machinery required for cutting and polishing of gem-stones (k) as a measure of protection to local industry the duty on the import of natural yeast, acetic acid, carbon black, sulphur black, cement coloured, white and grey, plastic moulding compound, man-made fibres, sanitary-wares, kitchen-wares and tiles was enhanced substantially.

State Industrial Enterprises :

9. In 1972, the Federal Government took over the management of 32 large industrial units, falling under 10 categories of industries under the Economic Reforms Order, 1972. These units alongwith those managed by the Pakistan Industrial Development Corporation (P. I. D. C.), were subsequently re-grouped industry-wise into 10 Corporations under the overall supervision of the now defunct Board of Industrial Management (B.I.M.). These Corporations were (i) Federal Chemical and Ceramics Corporation (F.C.C.C.L.), (ii) Federal Light Engineering Corporation (F.L.E.C.), (iii) National Fertilizer Corporation (N.F.C.), (iv) Pakistan Automobile Corporation (P.A.C.O.), (v) Pakistan Industrial Development Corporation (P.I.D.C.), (vi) State Cement Corporation of Pakistan (S.C.C.P.), (vii) State Heavy Engineering and Machine Tool Corporation (S.H.E & M.T.C.), (viii) State Petroleum Refining and Petrochemical Corporation (P.E.R.A.C.), (ix) National Design and Industrial Services Corporation (N.D.I.S.C.) and (x) Pakistan Steel Mills Corporation (P.A.S.M.I.C.). While Nos. (i) to (viii) were controlling manufacturing units, the N.D.I.S.C. was a non-manufacturing organisation and the P.A.S.M.I.C. was responsible for setting up the Pakistan Steel Mills.

10. The Board of Industrial Management (B.I.M.) which was controlling these Corporations was dissolved in May, 1979, and the Corporations are now directly controlled by the Ministry of Production. To manage the affairs of each company/unit satisfactorily, Board of Directors has been constituted for each unit/company. To rationalise the working and achieve efficiency, three Corporations, namely, S.H.E. & M.T.C., F.L.E.C. and State Electrical Corporation of Pakistan have been merged to form State Engineering Corporation while N.D.I.S.C. has been abolished.

Performance of State Enterprises :

11. The overall production index of State Enterprises at constant prices of 1972-73 recorded an improvement of 1.22 per cent during 1980-81 over last year. The most significant improvement of 83.40 per cent was registered by the

National Fertilizer Corporation. This significant improvement in production was attributed to better capacity utilization of Pak-Arab Fertilizer from 47 to 60 per cent and coming into operation of Pak-Saudi Fertilizer which was operating at an efficiency level of 78.5 per cent. Pakistan Industrial Development Corporation showed an increase of 41.1 per cent and State Engineering Corporation registered a rise of 9.92 per cent.

12. During 1980-81 total sales of all the public sector corporations showed an increase of Rs. 1,600·68 million or 12.4 per cent from Rs. 12,904.07 million in 1979-80 to Rs. 14,504.75 million. The highest sales increase of Rs. 911.84 million was registered by P.E.R.A.C. followed by N.F.C. (+Rs. 504.99 million), S.C.C.P. (+Rs. 132.70 million), and P.I.D.C. (+Rs. 69.01 million).

13. Total pre-tax profit earned by the sector corporations registered an increase of Rs. 15.68 million or 2.6 per cent in 1980-81, from Rs. 598·07 million in 1979-80 to Rs. 613.75 million. N.F.C. units have shown the highest profit of Rs. 390.46 million (63.6% of the total) followed by P.A.C.O. (Rs. 84.84 million), S.E.C. (Rs. 53.92 million), P.I.D.C. units (Rs. 36·83 million). P.E.R.A.C. (Rs. 35.83 million), F.C.C.C.L. (Rs. 7.67 million) and S.C.C.P. (Rs. 4.20 million).

14. The amount of taxes and duties paid/payable for the year 1980-81 works out to Rs. 3,562.04 million as against Rs. 3,533.32 million in 1979-80, showing an increase of Rs. 28.72 million or 0.8 per cent. The largest amount of taxes and duties of Rs. 1,910.27 million (53.6% of the total) was paid by S.C.C.P. followed by P.A.C.O. (Rs. 688.38 million or 19.3% of the total).

15. At the end of June, 1981, total number of employees in all public sector corporations was 68,470 as against 64,750 at the end of June, 1980. The largest increase was in Pakistan Steel (3,161) followed by N.F.C. (633) P.I.D.C. (334) and Larkana Sugar Mills (207).

Private Sector Investment Sanctioned :

16. Facilitated by free flows of foreign funds and a large number of fiscal and monetary incentives, the private sector made a rapid progress in manufacturing in the 'sixties'. An investment of Rs. 4,905 million was sanctioned during the period 1960—65; and Rs. 4,635 million during 1965—70. Sanctions in the first half of the seventies amounted to Rs. 5,310 million but adjusted to devaluation which took place in 1971-72 the sanctioned investment was comparatively lower than that sanctioned during the preceding periods. Besides, about 45 percent of the investment was accounted for by one single fertilizer project of the Fauji Foundation. In 1975-76, an investment of Rs. 2,004 million was sanctioned, but in 1976-77, the level fell off to Rs. 1,404 million.

17. As a result of the steps taken by the present Government to restore confidence of the private sector and to revive the industrial climate, the pace of industrial sanctions has sharply increased. Investment sanctioned during 1977-78 increased to Rs. 4,891 million. In 1978-79 it went up by 43 percent to Rs. 6,978 million and in 1979-80 by 16 percent to Rs. 8,073 million. It took again impressive leap in 1980-81 and rose by 35 percent to Rs. 10,879 million. Thus total investment sanctioned during 1977—81 came to Rs. 30,821 million, showing an annual average of Rs. 7,700 million. Table 5.1 gives group-wise break-up of the investment

sanctioned during 1977—81.

TABLE 5.1

PRIVATE SECTOR INVESTMENT SANCTIONED DURING 1977-78 TO 1980-81

(Rs. in million)

Industries	Investment sanctioned	As % of Total
1. Food, Beverage & Tobacco	2,530	8.2
2. Textiles	5,001	16.2
3. Paper, Pulp & Wood Products	1,383	4.5
4. Leather & Leather Products	286	0.9
5. Rubber & Rrbber Products	1,586	5.1
6. Chemicals, Synthetic, Fertilizer, Petro-Chemicals and Petroleum Products.	8,373	27.2
7. Non-Metallic Mineral Products	8,188	26.6
8. Basic Metals	60	0.2
9. Metal Products	259	0.8
10. Machinery other than Electrical	71	0.2
11. Electrical Machinery, Equipment & Apparatus	667	2.2
12. Electronics	90	0.3
13. Transport Equipment	269	0.9
14. Miscellaneous (Including Hotels & Other Service Industries) ...	2,058	6.7
Total	30,821	100.0

Source : Ministry of Industries.

Note : The figures of investment sanctioned by PICIC, IDBP and IPB relate to fixed cost of projects sanctioned by these agencies. Hence these will not tally with the figures given in Table 5.2 and elsewhere in Pakistan Basic Facts.

Pace of implementation :

18. The pace of implementation of industrial projects has also considerably picked up. In order to determine the pace of implementation, a survey of the projects sanctioned, during 1975—79 was carried out. The total investment sanctioned during this period was Rs. 16,394 million. Projects sanctioned were grouped into four categories *viz.* (i) in operation or nearing completion; (ii) underway; (iii) credit lined up; and (iv) no progress. The survey shows that about 50percent of the sanctioned projects are either in operation or nearing completion/underway, for 12percent projects credits are being lined up and plots allotted. Only in respect of 38percent projects no progress has been reported which compares favourably with the preceding years. Based on the above survey and other evidence, it is estimated that 50percent of the sanctions accorded so far would be implemented by the end of the Fifth Plan.

Industrial Investment :

19. Total Industrial investment at current prices increased from Rs. 1,494.9 million in 1970-71 to an estimated amount of Rs. 9,808.0 million in 1980-81. Despite price escalation, investment in real terms has increased over the years. Tables 5.2 gives the trend of industrial investment since 1969-70.

TABLE 5.2

INDUSTRIAL INVESTMENT

(Current Prices)

(Million Rs.)

Years	Private Sector			Public Sector	Total Investments
	Large/medium	Small	Total		
1969-70	1,208.2	187.7	1,395.9	179.2	1,575.1
1970-71	1,224.0	201.7	1,425.7	68.2	1,494.9
1971-72	1,016.3	219.1	1,235.4	98.5	1,333.9
1972-73	363.1 (a)	255.9	1,019.0	110.6	1,129.6
1973-74	697.3 (a)	325.5	1,022.8	382.3	1,405.1
1974-75	990.4 (a)	446.5	1,436.9	1,064.9	2,501.8
1975-76	1,309.0 (a)	509.5	1,818.5	3,181.6	5,000.1
1976-77	1,526.3	585.3	2,111.6	4,514.0	6,625.6
1977-78	1,539.1	634.5	2,173.5	6,143.5	8,317.0
1978-79 (R)	1,569.1	724.3	2,293.4	6,659.4	8,952.7
1979-80 (R)	2,177.3	818.3	2,995.6	6,592.9	9,588.5
1980-81 (P)	2,832.0	975.8	3,807.8	6,000.2	9,808.0

Source : Statistics Division.

R = Revised

P = Provisional

a = Excludes Rs. 25.8 million for the year 1972-73, Rs. 35.4 million for 1973-74, Rs. 78.6 million for 1974-75 and Rs. 100.7 million for 1975-76 as investment in BIM industries but includes investment in ghee establishments up to 1972-73 only.

20. Private sector investment which amounted to Rs. 1,425.7 million in 1970-71 declined steeply for some years after the take-over of 32 private industrial units under the Economic Reforms Order, 1972 due to the fear of further nationalisation. In subsequent years, however, private sector industrial investment started picking up and is estimated at Rs. 3,807.8 million in 1980-81. This rising trend in investment is expected to gain further momentum as the impact of the corrective measures taken by the present government is felt more fully.

21. Public sector investment has increased sharply from Rs. 68.2 million in 1970-71 to Rs. 6000.2 million in 1980-81. This sharp increase is due to the expansion of the public sector since 1972 and also because a numbe r of projects in the field of cement, fertilizer and the steel mill are under implementation. The public sector industrial investment has declined by 9 per cent from Rs. 6,592.9 million in 1979-80 to Rs. 6,000.2 million in 1980-81. This is explained by the reduction made by the Government in annual development programmes allocation for public sector industry in line with its policy of encouraging privates ector.

Fifth Five-Year Plan (1978-38) :

22. The Fifth Plan envisages an investment of Rs. 40.0 billion in the industrial sector (Rs. 21.0 billion in the public sector and Rs. 19.0 billion in the private sector). In the public sector programme of Rs. 21.0 billion, Rs. 16.169 billion (77%) has been allocated to on-going projects (steel mill, fertilizer, and cement plants etc.), while only 23 per cent investment is envisaged for new projects. Besides creating a sizable base for the production of basic industrial and agricultural inputs, setting up of such industries as are based on indigenous raw materials or are export-oriented, the investment strategy for industry during the Plan Period is to restrict the public sector investment primarily to the completion of on- going projects and encourage private sector to play, once again, its full role in the industrial development of the country.

23. The Fifth Plan targets for some of major industrial items are : cotton yarn (548 million kgs), cotton cloth both mill and non-mill (2,465 million sq. metres sugar (1 million metric ton) cement (6.0 million metric ton), fertilizer (1,381 thousand N/tonnes), iron and steel (800 thousand metric ton).

PRINCIPAL INDUSTRIES

Cotton Textiles :

24. This is the premier industry of the country. The installed capacity of this industry at the end of June 1981 was 3.98 million spindles and 24,974 looms. During 1980-81, the production of yarn was 375.9 million kgs. and of cloth 362.9 million sq. metres (mill-made). After meeting the domestic requirements, 95.23 million kgs. of yarn valued at Rs. 2049.7 million and 500.9 million sq. metres of cloth valued at Rs. 2389.6 million were exported during 1980-81.

Jute Industry :

25. This industry has expanded considerably since the separation of the former East Pakistan towards the end of 1971. At present there are eight jute mills in the country which are capable of producing 93,000 tonnes of jute goods. The present requirements of jute goods are 90,000 tonnes which are estimated to go upto 140,000 tonnes by the end of the Fifth Plan (1982-83). The production of jute goods in 1980-81 was 50.21 thousand tonnes. The deficit in local production is being met by resorting to the use of substitutes such as cotton and paper bags etc. and import of jute goods. Nine Jute mills, each with a capacity of 54 looms, have been sanctioned which would bridge the gap in the existing production and requirements.

Fertilizer :

26. The total domestic production capacity at the end of June, 1981 was 730,143 N/tonnes of nitrogenous fertilizer and 88,627 N/tonnes o f phosphatic fertilizer, as a result of completion of Pak-Arab Fertilizer Project (Multan) in January, 1979 with a capacity of 214,359 N/tonnes of nitrogenous fertilizer and 70,035 N/ tonnes of phosphatic fertilizer and coming into production of the Pak-Saudi Fertilizer (Mirpur Mathelo) in Sept. 1980 with a capacity of 256,220 N/tonnes of urea. It is hoped that after the completion of the Fauji Foundation Urea Project (250,000 N/tonnes) by January, 1982, Hazara Urea Project (44,022 N/tonnes) in March. 1982 and expansion of Daud Hercules Urea Project (158,000 N/tonnes) by 1983-84, the consumption of fertilizer will increase substantially.

Cement :

27. The present installed capacity of cement is 3.75 million tonnes which would increase to 4.05 million tonnes after the completion of the Mustehkam Cement (expansion) Project which has though already started trial production. It is estimated that by the end of the Fifth Plan (1982-83), the demand for cement would rise to 6.0 million tonnes which would require a capacity of 6.7 million tonnes at 90 per cent utilization. In the public sector, three cement projects which are scheduled to be completed in 1982 would add another 0.93 million tonnes, thereby raising the installed capacity to 4.98 million tonnes in 1982. Besides, the D.G. Khan Project (0.6 million tonnes) is in planning stage and permission has been given to the private sector to set up several cement plants.

Pakistan Steel Mills :

28. The project, being set up by Pakistan Steel Mills with the financial and technical assistance of the USSR, is in advanced stage of completion. By providing new materials for various engineering, capital goods and construction industries it would give a big boost to the industrial development of the country.

29. This would be the first integrated iron and steel works of 1.1 million tonnes (with built in potential to expand to 2 million tonnes). The project is planned to be completed in stages. The first battery of the coke oven plant and by product plant was commissioned in April, 1981. The first blast furnace has been fired in August, 1981, while steel making plant and 800 mm billet mill would become operational in 1982. Full cycle of product mix is expected to be achieved by 1984-85.

30. Tables 5.3 shows the quantum index of large scale manufacturing, while table 5.4 gives the production of manufacturing industries since 1948-49.

TABLE 5.3

QUANTUM INDEX OF LARGE SCALE MANUFACTURING

(1969-70-100)

1970-71	106.2
1971-72	105.7
1972-73	115.4
1973-74	122.4
1974-75	120.5
1975-76	119.8
1976-77	117.1
1977-78	128.8
1978-79 (Revised)	133.7
1979-70 (Revised)	148.9
1980-81 (Estimated)	162.2

Source : Statistics Division.

TABLE 5.4

PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES

Year	Cotton yarn (Million K.Gs.)	Cotton Cloth (Million Sq. Mts.)	Sugar (000 tonnes)	Vegetable Ghee(000 tonnes	Cigarettes (billion Nos).	Nitrogenous fertilizer 000 N. tonnes	Phos-phatic fertilizer (000 N. tonnes)	Cement (000 tonnes.)	Cycle tyres Tubes (000 Nos.)	Bilycle (000 No)	Elec. Fans all types (000 Nos.)	Writing Printing paper (000 tonnes)	M.S. Products (000 tonnes)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1948-49	8.4	37.5	13	3	0.2	—	—	383	13	N.A.	N.A.	N.A.	—
1949-50	12.1	46.3	17	4	1.5	—	—	395	112	N.A.	N.A.	N.A.	—
1950-51	16.5	58.6	22	6	2.7	—	—	478	620	N.A.	N.A.	N.A.	—
1951-52	22.4	88.0	31	8	3.2	—	—	501	748	N.A.	N.A.	N.A.	—
1952-53	46.1	160.9	49	11	4.0	—	—	547	1,357	N.A.	N.A.	N.A.	—
1953-54	77.9	236.0	48	13	4.4	—	—	632	1,862	N.A.	N.A.	N.A.	—
1954-55	114.3	325.6	48	13	4.4	—	—	637	2,009	N.A.	N.A.	N.A.	—
1955-56	123.6	366.5	61	17	4.9	—	—	732	2,186	N.A.	N.A.	N.A.	—
1956-57	128.1	393.3	82	18	5.9	—	—	1,037	2,617	N.A.	N.A.	N.A.	—
1957-58	138.4	427.3	128	21	6.7	1.5	0.2	1,032	2,636	N.A.	N.A.	N.A.	—
1958-59	148.8	451.0	124	22	6.9	7.5	0.4	1,036	2,531	N.A.	N.A.	N.A.	—
1959-60	160.4	455.0	84	29	8.2	8.9	0.1	982	3,079	N.A.	N.A.	N.A.	—
1960-61	163.4	513.1	56	37	9.5	9.8	1.4	1,073	3,454	N.A.	N.A.	N.A.	—
1961-62	166.7	534.4	124	51	10.5	13.6	1.3	1,238	4,127	N.A.	N.A.	N.A.	N.A.
1962-63	174.4	561.6	203	68	10.8	40.0	1.1	1,370	4,924	N.A.	N.A.	N.A.	N.A.

1	2	3	4	5	6	7	8	9	10	11	12	13	14
1963-64	198.6	579.6	157	85	12.8	43.8	1.2	1,408	5,158	N.A.	N.A.	N.A.	N.A.
1964-65	206.0	597.6	159	92	14.3	46.6	1.4	1,655	6,894	97.7	N.A.	N.A.	230.0
1965-66	194.0	544.6	377	102	16.9	46.0	1.4	1,633	4,929	102.6	186.4	N.A.	186.7
1966-67	207.0	571.6	322	87	19.0	50.8	0.7	1,965	7,049	137.6	208.9	N.A.	196.7
1967-68	224.6	597.7	252	94	20.0	49.7	2.8	2,163	5,874	155.4	210.2	N.A.	178.9
1968-69	238.8	593.9	408	99	20.6	78.0	2.6	2,551	6,624	169.8	166.3	N.A.	227.7
1969-70	273.2	606.5	610	126	22.4	129.3	4.2	2,656	6,727	161.3	161.8	N.A.	180.0
1970-71	303.8	658.3	519	136	24.2	140.1	4.5	2,702	6,543	159.7	215.7	13.5	196.1
1971-72	335.7	628.2	375	162	21.8	215.1	4.9	2,605	4,490	122.8	201.1	19.3	165.5
1972-73	376.1	588.6	429	187	27.6	274.5	8.2	2,876	5,825	211.7	223.0	23.3	183.9
1973-74	379.5	592.2	608	225	27.5	300.1	4.2	3,145	7,114	178.5	191.0	21.4	218.1
1974-75	351.2	555.9	502	272	26.8	320.6	6.3	3,320	7,194	210.4	193.1	19.4	224.0
1975-76	349.7	520.3	630	277	27.5	314.9	11.8	3,196	7,399	217.8	154.4 R	18.5	230.7
1976-77	282.6	408.3	736	326	28.4	312.3	13.4	3,071	7,592	211.5	175.8 R	18.9	269.6
1977-78	297.9	391.3	861	360	31.3	312.8	15.0	3,224	8,695	244.7	207.2 R	20.7	315.3
1978-79	327.8	339.4	607	422	32.5	336.6	28.9	3,023	7,885	280.1	207.4 R	25.4	362.4
1979-80	362.9*	342.3*	573.7*	460*	36.2*	389.9*	51.5*	3,343*	8,083	279.4	288.5 R	24.0	420.9
1980-81(P)	375.9* E	362.9*	851.1*E	517*	38.8*	586.3*	58.5*	3,538*	9,298	327.3	245.3	28.2	494.5

P—Provisional.
R—Revised.
E— Estimated.

Note : Data from 1948-49 to 1957-58 relates to Calendar year. Figures coming under 1948-49 mean figures for 1949 Calendar year and so on.

Sources : Statistics Division, *Ministry of Industries.

6

MINERAL RESOURCES

In terms of its contribution towards gross national product the mineral sector is relatively a small one but because of its being a source of minerals, natural gas petroleum and coal, it is of vital importance to the economy and rather its significance has tremendously increased in view of the persistently rising tendency of imported oil prices since late 1973. Pakistan has substantial potential which has not been yet fully exploited. Mineral explorations, development, production and utilization in Pakistan has also lagged behind the developments that have taken place in other sectors of the economy. This is clearly indicated by the low contribution of the mineral sector to the Gross National Product which is still less than one per cent. Insufficient geological mapping at appropriate scale, lack of exploratory equipment, shortage of trained and experienced personnel and inadequate financial resources particularly non-availability of risk capital have been the main constraints in exploration and systematic exploitation of the mineral deposits of the country.

Institutional Framework :

2. At the Federal level a Mineral Development Corporation has been created with the objective of accelerating mineral exploration and development along systematic and scientific lines. Another organization, namely, the Resource Development Corporation has been constituted and assigned the task of exploring and developing the Saindak Copper Deposits in Chagai, Baluchistan. In addition, the activities of the Geological Survey of Pakistan have been intensified. Besides, at the provincial level mineral development departments exist in the four provinces and in Azad Kashmir. To coordinate the activities of different federal and provincial agencies involved in mineral investigation, exploration and development, a board of Mineral Coordination has been set up at the Federal level under the Ministry of Petroleum and Natural Resources.

Mapping :

3. Geological mapping is a prerequisite for systematic research and exploration of minerals. The Geological Survey of Pakistan is engaged in the preparation of geological maps, investigation and delineation of mineral and ground water potentical, collection and publication of geological, geophysical and geochemical data of the country.

Mineral Reserves :

4. As a result of the concerted efforts aimed towards discovery of country's mineral potentials, latest estimated reserves of some of the principal minerals are given in table 6.1.

TABLE 6.1

RESERVES OF PRINCIPAL MINERALS

1. Marble (Aragonite/Onyx)	Fairly large deposits.
2. China Clay.	4.5 million tonnes
3. Chromite	fairly large deposits.
4. Coal	500 million tonnes

Iron Ore :

12. The main deposits of iron ore occur in Kalabagh-Makerwal region, Punjab; Langrial, Hazara District, Chitral (NWFP) Khuzdar, Ziarat, Chilgazi, Nou Kundi, (Baluchistan). The reserves are estimated at over 400 million tonnes. At present there is no regular production of iron ore in the country. The iron ores can not be utilized as such unless upgraded to at least 62% Fe. Feasibility study for upgradation of low grade ore is being carried out jointly by PCSIR, PMDC and MAS. The tests carried out so far on laboratory scale have succeeded in upgrading the ore to + 58% Fe.

13. Due to poor quality and small reserves, the presently known iron ore deposits are not considered suitable for use in medium or large size integrated steel mills. Therefore, the Steel Mills at Karachi is being based on the imported iron ore. As per decision of the Committee on utilization of indigenous iron ores, PMDC is making arrangements for the supply of Chichali iron ore samples to PCSIR for preparation of concentrates and pellets which will be supplied to Karachi Steel Mills for determination of their suitability as blast furnace lump feed. Pakistan Industrial Development Corporation (PIDC) is also presently engaged in detailed exploratory-*cum*-testing work of Nou Kundi iron ore deposits with a view to gauge its suitability as feed stock for PASMIC.

Salt :

14. Very large deposits of rock salt occur in the Salt Range area in Jhelum and Mianwali districts, Punjab and near Bahadarkhel Jatta and Karak in Kohat Districts, NWFP. Total reserves of rock salt are estimated at over 100 million tonnes. There are six major mines and quarries in Pakistan, including the famous khewra mine in Jhelum district, Punjab. The present production is around 0.49 million tonnes *per annnm* and is expected to be raised to 0.65 million tonnes during the Fifth Plan period. PMDC exported nearly 25,565 tonnes of rock salt to India and Kenya during 1978-79 and 1980-81. PMDC has already completed a pre-feasibility study to undertake salt solution mining in or around Dalmial-Dalwal villages district Jhelum.

Gypsum :

15. Large deposits of gypsum occur in Mian wali, Jhelum and D.G. Khan districts, in Punjab ; Quetta and Sibi districts in Baluchistan and Kohat district in NWFP. Some smaller deposits also occur in Bahawalpur, Dadu, Sanghar and D. I. Khan districts. Total reserves are over 350 million tonnes. Gypsum is being used in the production of cement, chemical fertilizers, plaster of paris and for the rehabilitation of sodic soil.

Baryte :

16. Major deposits of baryte are in the Khuzdar district, Baluchistan. A few baryte deposits are in the Kanrach area, Lasbela district in Baluchistan and Haripur district, in NWFP. Total reserves of baryte are 2.2 million tonnes. The major use of baryte is as weighting agent in oil well drilling fluids. A baryte grinding plant has been installed at Khuzdar as a joint venture of Pakistan petroleum Ltd. and Baluchistan Development Authority. This plant is producing ground baryte for export as well as for internal use.

China Clay :

17. The only commercially exploited deposits of china clay are at Shah Dheri in Swat, NWFP. Small deposits also occur at Timar-graph, Dir, NWFP.

Reserves of China clay are estimated at 4.5 million tonnes. PMDC has also established 3.50 million tonnes of China clay in Nagar Parker, Sind. China clay deposit found at Shah Dheri has been completely evaluated and a ceramic complex has been set up with a consumption capacity of 4,800 tonnes per annum. About 4 to 5 million rupees worth of china clay is being imported annually. There is, therefore, need to increase the production of china clay from Shah Dheri and Nagar parker deposits which have sufficient reserves to meet the total demand.

Gemstone :

18. A variety of gemstones occur in Pakistan. The biggest deposits of emeralds are found in Swat. The next most important known deposits are the ruby deposits in Hunza Area, Gilgit. Besides, valuable stones are found in Gilgit, Baluchistan, Swat, Dir Chitral, Mardan and Malakand agency. Production of gemstones during 1976-77 was worth Rs. 10 million. The Gemstone Corporation was set up in early 1979 and various public sector projects were transferred to it.

Marble :

19. Deposits of marble occur in Chagai district (Baluchistan) Gilgit, Swat, Dir, Hazara in NWFP and Azad Kashmir. Reserves of green marble have been estimated at 2.44 million cubic meters and of other varieties of marble at about 700 million tonnes.

Reserves of China clay are estimated at 4.5 million tonnes. PMDC has also established 1.50 million tonnes of China clay in Nagar Parker, Sindh. China clay deposit found at Shah Dheri has been completely evaluated and a ceramic complex for Swat is being set up with a consumption capacity of 4800 tonnes per annum. About Rs. 4 million rupees worth of China clay is being imported annually. There is, therefore, need to increase the production of china clay from Shah Dheri and Nagar Parker deposits which have sufficient reserves to meet the total demand.

Gemstones

18. A variety of gemstones occur in Pakistan. The biggest deposits of emeralds are found in Swat. The next most important known deposits are the ruby deposits in Hunza Area, Gilgit. Besides, valuable stones are found in Gilgit, Baluchistan, Swat, Dir, Chitral, Mardan and Malakand agency. Production of gemstones during 1976-77 was worth Rs. 10 million. The Gemstone Corporation was set up in early 1979 and various public sector projects were transferred to it.

Marble

19. Deposits of marble occur in Chagai district (Baluchistan) Gilgit, Swat, Dir, Hazara in NWFP and Azad Kashmir. Reserves of green marble have been estimated at 2.44 million cubic meters and of other varieties of marble at about 700 million tonnes.

TABLE 6.3

PRODUCTION OF MINERALS

Mineral	Unit	**1948-49	1959-60	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79 (P)	1979-80 (P)	1980-81 (P)
Aragonite/Marble (*a*)	(000 tonnes)	—	3	9	11	10	10	17	18	23	15	31	22	36	65	46	71	119	92	114
Celestite	(Tonnes)	—	—	470	243	532	488	389	515	486	258	115	196	513	957	300	213	548	357	295
Chromite	(000 tonnes)	17(e)	15	16	20	39	23	26	25	27	34	18	13	10	12	10	10	5	4	1
Coal	(000 tonnes)	245	735	1,257	1,205	1,344	1,219	1,395	1,269	1,324	1,255	1,204	1,129	1,314	1,138	1,147	1,279	1,261	1,504	1,576
Dolomite	(Tonnes)	—	—	492	85	556	8,700	5,139	—	1,449	302	28	377	656	356	2,505	7,798	15,356	15,760	24,244
Fire Clay	(000 tonnes)	6(e)	16	17	19	20	19	19	28	28	22	19	17	25	41	47	62	52	57	60
Fuller Earth	(000 tonnes)	—	—	9	10	18	14	7	3	14	13	16	18	16	23	14	18	34	27	21
Gypsum	(000 tonnes)	15(e)	92	186	117	124	61	238	207	167	22	132	282	599	324	282	356	234	368	554
Lime stone	(000 tonnes)	318	942	2,026	1,854	2,205	1,593	2,208	2,918	2,897	2,628	2,846	3,258	3,008	2,968	3,888	4,029	3,298	2,798	3,464
Magnesite	(Tonnes)	—	—	632	666	786	1,251	1,325	522	648	103	2,504	3,217	2,193	8,118	1,575	2,344	3,042	1,635	397
Rock Salt	(000 tonnes)	209	172	251	294	235	277	371	310	350	358	254	375	427	427	336	435	486	495	514
Silica Sand	(000 tonnes)	16(e)	28	28	25	79	87	150	44	35	44	27	67	32	43	51	93	84	104	84
Soap Stone	(Tonnes)	—	2,122	3,408	2,003	2,916	2,114	2,978	2,978	4,418	4,225	6,239	8,662	4,786	25,844	12,134	27,313	33,088	31,068	27,724
Barytes	(Tonnes)	—	—	11,403	8,936	6,328	8,746	11,362	1,317	3,200	1,809	1,961	1,849	6,529	10,500	16,692	19,320	31,566	18,799	21,208
Crude Oil	(Million Barrels)	0.42	1.96	3.22	3.31	3.14	3.22	3.49	3.50	3.01	2.90	2.80	2.43	1.96	2.03	3.58	3.53	3.73	3.65	3.55
Natural Gas	(Billion cu. Metre)	—	0.6	1.5	1.8	2.0	2.1	2.5	2.9	3.4	3.6	4.1	4.7	5.1	5.1	5.6	5.8	6.3	7.5	8.45

— Nil Insignificant (P) Provisional (*a*) From 1962-63 onward, figures of Aragonite include those ordinary marble (r) Revised.

** Data relate to calander year. Figures given under 1948-49 are for 1949 calander year.

Source : (*i*) Statistics Division.

(*ii*) Ministry of Petroleum & Natural Resources for Oil, Gas and Coal

7

ENERGY

The consumption and production patterns of energy have undergone many striking changes with development of the economy over time. These were governed by determining factors of relative price changes, technological developments, indigenous energy resource development and sectoral demand.

2. With substantial increase in production and consumption, the composition of energy has undergone a drastic change. In 1948, solid fuels accounted for 59.9 per cent, oil 37.1 per cent and other sources 3 per cent of the total energy consumption. As against this during 1980-81, coal formed only 5.3 per cent of the energy mix, while gas claimed a share of 41.7 per cent, oil 36.6 per cent, hydel power 15.9 per cent, liquified petroleum gas (LPG) 0.3 per cent and nuclear power 0.2 per cent. The energy sources maintained varying trends in production. The indigenous production of coal (363 thousand metric tons in 1947), gas 43.33 million cubic meters in 1955), oil (559 thousand U. S. Barrels in 1948) and electricity (141.90 million KWHS in 1948) increased to 1576 thousand metric tons, 8,447 million cubic metres, 3,554 thousand U. S. Barrels and 16,263 million KWHS respectively in 1980-81. In the 70s the non-conventional sources of energy were also introduced.

SOURCES OF ENERGY

Oil :

3. In order to meet oil requirements, the economy heavily relies on imported oil as it is over 90 per cent of total consumption. It stands as the largest single import item. The rising tendency in its import prices since 1973 has a tremendous impact on the country's balance of payments. Thus high priority has been accorded to the tapping of indigenous oil sources.

Oil Exploration :

4. After independence, with a view to gearing up oil exploration, the Government promulgated the Pakistan Petroleum (Production) Rules in 1949, and granted various concessions to oil companies. As a result various companies evinced interest in this field specially after discovery of gas field at Sui by Pakistan Petroleum Limited.

5. Public Sector entered this field in 1961 when " Oil and Gas Development Corporation " (OGDC) was set up with Soviet assistance. The corporation with appreciable achievements in the past is presently engaged in Geological Surveys and drilling at various places in the country.

6. At present eleven oil companies are engaged in petroleum exploration in all the four provinces. Consequently, the exploration and development activities have been substantially increased from the traditional three wells per year in the past to thirteen wells per year in 1980-81.

7. The accelerated drilling activities are paying dividends. Oil has been discovered about 152 km east of Karachi in the lower Indus basin for the first time. Additional wells are being drilled to evaluate the potential of this discovery.

Oil Production and Consumption :

8. Total oil production from seven oil fields, namely, Dhulian, Joya Mir, Balkassar, Khaur, Toot, Meyal and Adhi was 3.55 million U.S. Barrels in 1980-81 as against 3.63 million U.S. Barrels in the preceding year representing a decline of 2.2 per cent. Excepting Toot and Adhi, all other oil wells gave lesser production in 1980-81 than 1979-80 level.

9. Total consumption of petroleum which was 4.23 million metric ton in 1979-80 went up by 1.9 per cent in 1980-81. Out of total petroleum consumption of 4.31 million metric ton in 1980-81, the domestic sector consumed 516,958 metric tons, Industry 261,028, Agriculture 179,578, Transport 2,631,821, Power 182,972 and Government 534,551 metric ton .

Oil Export and Imports :

10. The surplus POL product like naptha and furnance oil are exported to Turkey, India and some other countries. In 1980-81 an amount of Rs. 1675.2 million has been earned against export of 1005 thousand metric tons as compared with Rs. 1764.2 million for 1037 thousand metric tons last year. The import of oil and petroleum products in 1980-81 stood at 5608 thousand metric tons compared to 6436 thousand metric tons last year, recording a decline of 12.9 per cent. The import bill of POL, however, went up from Rs. 10685.1 million in 1979-80 to Rs. 15199.3 million in 1980-81 and registered a rise of 42.2 per cent.

Oil Refineries :

11. The current refining capacity of the country is 6.4 million metric tons, 2.5 million metric tons at Pakistan Refinery Limited, 2.1 million metric tons under National Refinery Limited and 1.8 million metric tons with Attock Refinery Limited.

Natural Gas :

12. Natural gas is the biggest source of total energy mix available for consumption and is contributing nearly 42 per cent towards the total energy supply. Total recoverable reserves are estimated at 454.78 billion cubic metres. Dhodak and Pirkoh gas fields, discovered in 1976 in Punjab and Baluchistan, are being evaluated to determine their reserves. Sui is the largest gas field so far with the original recoverable gas reserves of 242.86 million cubic metres followed by the Mari gas field with recoverable reserves estimated at 81.42 billion cubic metres. The existing gas fields with their reserves positions are shown in table 7.6.

Production of Gas :

13. The production of Natural Gas has increased substantially since its inception in energy mix for the first time in 1955, when the production was 43 million cubic metres (MMCM). The production of natural gas increased to 904 MMCM in 1961-62, 3,516 MMCM in 1971-72 and 8,447 MMCM in 1980-81. The production of gas recorded annual average growth rate of 69.6 per cent during 1955 to 1959-60, 16.7 per cent during 1960-61 to 1969-70, 8.3 per cent during 1970-71 to 1976-77 and 13.4 per cent during 1977-78 to 1980-81. Table 7.7 gives field-wise production of gas since 1955.

Consumption of Gas :

14. The pattern of gas consumption by sector shows that power generation is the largest consumer of Natural Gas 2387.53 MMCM followed by Fertilizer 1857·21 MMCM, General Industries 1767.84 MMCM, Cement Industry 733·94 MMCM, residential 499.75 MMCM and Commercial sector 212.44 MMCM. Total gas consumption during 1980-81 was 7458.71 MMCM.

15. The total number of gas consumers was 2,141,108 at the end of June 1980. Quetta is getting piped gas in the form of air mix LPG. Table 7·8 portrays gas consumption trends by sector.

Coal :

16. The share of coal in the overall energy mix is about 5 per cent. Due to volatile nature of indigenous coal, the requirement of special quality coal/coke is met through imports.

17. The total indicated coal reserves in the country are placed at 456 million tons, about half of which are concentrated at Lakhra in Dadu district of Sind. Coal production during 1980-81 was 1,576 thousand tons, showing a rise of 0·5 per cent over preceding year's level of 1,569 thousand tons. The 5th Plan target for coal production is 3.00 million tons.

18. The increasing use of Gas in every sector has resulted in a great set back to this labour intensive industry. Brick-Kilns consuming about 90 per cent of the total coal production, remain the major outlet of the indigenous coal. Other consumers of the coal are Railway, Defence and domestic users.

19. The data on production, imports, consumption and sources of coal are given in tables 7.9 to 7.12.

POWER

Water and Power Development Authority (WAPDA) :

20. The total installed generating capacity of WAPDA rose from 2,685 MW in 1979-80 to 3,225 MW (1847 MW Hydel and 1378 MW thermal) in 1981 exhibiting a rise of 20 per cent.

21. The total electricity generated during 1980-81 was 13,209 MKWH as against 12,124 MKWH in 1979-80 and recorded an increase of 8.9 per cent.

22. The number of consumers increased from 0.31 million in 1959-60 to 1.70 million in 1969-70, to 2.79 million in 1979-80 and further to 3.06 million upto June 1981. During 1980-81, 1,181 villages were electrified, thus increasing total number of such villages to 11,342 upto June 1981.

23. REPCO and MESCO having an installed capacity of 29 MW generated 98 MKWHS during 1980-81 and served 0.21 million consumers.

Karachi Electric Supply Corporation Limited (KESC) :

24. The total installed generating capacity of the Karachi Electric Supply Corporation Limited was 673 MW by June 1981. During the year 1980-81, total electricity generated by KESC including that of purchased from KANUPP, WAPDA and PASMIC stood at 2956 MKWH as compared to 2766 MKWH in 1979-80 and recorded a rise of 6.8 per cent.

NON-CONVENTIONAL

25. The activities in renewable sources of energy include solar, biogas and wind as major identified sources. These sources are being developed with a clear objective of replacing kerosene oil in the domestic sector and supplementing the need of electricity in the distant rural and semi-urban energy deficit areas of the country.

Solar Energy :

26. During the current year a 5 KW Solar System, the first in the country and the largest in Asian and African countries has been installed and commissioned. This will be followed by 5 KW system in Northern areas. Another 10 KW system on photovoltaic, 20 KW on Solar thermal and 30 KW on photovoltaic system will be installed on proper places.

Biogas :

27. The biogas potential of Pakistan appears sufficient to provide local managed energy systems to 30,000 villages in Pakistan. The Government has launched a programme to select energy deficit areas and initially install 3000 cubic feet of gas per day either through installing 20 biogas units of 150 cubic feet per day or provide a bio-electrification system producing 3000 cubic feet per day of gas. About 15,000 units and plants of biogas are under process of completion and commission.

Wind :

28. Preliminary work on two 20 KW system of electric generation alongwith 600 low velocity family size wind system is in hand. These systems will result in increased agricultural output through enhancing the supply of irrigation water.

TABLE 7.1

ENERGY SUPPLY BY SOURCE

(In billion kilojoule)

Period	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Oil (excluding export and overseas) ..	129,414	129,438	137,667	160,297	147,578	156,628	177,590	192,510	205,547	215,180
	(42.9)	(40.0)	(39.5)	(41.2)	(38.9)	(39.0)	(38.9)	(39.2)	(37.4)	(36.6)
Gas (excluding feed stock)	107,391	121,183	138,353	150,169	146,005	160,714	171,282	181,510	220,716	245,150
	(35.6)	(37.4)	(39.7)	(38.6)	(38.5)	(40.0)	(37.6)	(37.0)	(40.1)	(41.7)
Coal	24,936	24,461	24,551	26,084	21,392	24,398	25,195	27,417	31,019	31,183
	(8.3)	(7.6)	(7.0)	(6.7)	(5.7)	(6.1)	(5.5)	(5.6)	(5.6)	(5.3)
Hydel (Excluding auxiliary consumption)..	38,735	45,643	43,600	45,895	57,224	54,592	78,356	86,674	91,749	93,226
	(12.8)	(14.0)	(12.5)	(11.8)	(15.11)	(13.6)	(17.2)	(17.7)	(16.6)	(15.9)
Nuclear (Excluding auxiliary consumption)	987	2,886	4,358	5,745	5,792	3,998	2,193	1,006	1,919	1,449
	(0.3)	(0.9)	(1.2)	(1.5)	(1.5)	(1.0)	(0.5)	(0.2)	(0.003)	(0.2)
L.P.G.	190	255	269	645	1,006	1,084	1,412	1,627	1,625	1,860
	(0.1)	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total :— ..	301,653	323,866	348,798	388,817	378,997	401,414	456,030	490,744	550,675	588,048
	(100)	(100)	(100)	(100)	(100)	(1)00	(100)	(100)	(100)	(100)
Population (Million)	63.34	65.24	67.20	69.21	71.29	73.43	75.63	77.90	80.20	83.78
Per capita availability (Million kilojoule)	4.76	4.96	5.19	5.62	5.32	5.47	6.03	6.30	6.90	7.02

Note.—Figures in brackets show percentage share. *Source* : Ministry of Petroleum and Natural Resources.

TABLE 7.4

PETROLEUM CONSUMPTION BY SECTOR IN PAKISTAN

(In metric tons).

Period	Domestic	Industry	Agriculture	Transport	Power	Other Govt.	Total
1	2	3	4	5	6	7	8
1964-65	253,378	287,175	136,464	738,838	26,109	664,720	2,106,684
1965-66	313,602	286,291	119,332	720,582	74,438	651,504	2,165,749
1966-67	269,056	301,248	143,884	798,872	78,046	697,538	2,288,644
1967-68	280,633	294,802	168,830	906,922	6,238	693,451	2,350,876
1968-69	305,679	275,849	195,226	999,878	3,606	662,165	2,442,403
1969-70	323,014	281,322	210,647	1,067,567	63,351	678,692	2,624,593
1970-71	366,206	256,873	236,112	1,192,765	65,665	711,931	2,829,552
1971-72	380,991	267,942	287,157	1,116,175	99,597	630,586	2,782,448
1972-73	396,319	247,424	323,282	1,182,974	77,088	638,772	2,865,859
1973-74	451,728	220,087	236,959	1,258,694	202,974	588,117	2,958,559
1974-75	538,028	225,834	270,655	1,416,749	308,419	653,931	3,413,614
1975-76	495,871	194,569	249,719	1,450,392	156,851	608,667	3,156,069
1976-77	577,842	238,679	243,258	1,617,039	162,450	547,669	3,386,937
1977-78	629,141	224,027	264,172	1,907,840	34,936	540,389	3,600,505
1978-79	680,974	202,752	234,563	2,223,596	15,521	533,333	3,890,739
1979-80	625,861	246,430	252,781	2,341,903	50,787	713,916	4,231,678
1980-81	516,958	261,028	179,578	2,631,821	182,972	534,551	4,306,908

Source : Ministry of Petroleum & Natural Resources.

TABLE 7.5

IMPORT OF CRUDE OIL IN PAKISTAN

(Metric tons)

Year	Quantity
1962	333,249
1963	1,534,413
1964	2,123,928
1965	2,433,828
1966	2,707,020
1967	2,648,228
1968	3,008,384
1969	3,195,579
1970	3,101,951
1971	3,126,678
1971-72	3,057,167
1972-73	3,044,052
1973-74	3,253,031
1974-75	2,841,970
1975-76	2,891,965
1976-77	2,995,707
1977-78	3,468,715
1978-79	3,571,516
1979-80	3,910,425
1980-81	4,007,990

Source : Ministry of Petroleum & Natural Resources.

TABLE 7.6.

NATURAL GAS-RESERVES AS ON 30TH JUNE, 1981.

(Billion cubic metres)

Field	Location	Year of discorvery	Originally Recoverable Reserves	Cumulative Production upto 1-7-1981	Remaining Marketable reserves
1	2	3	4	5	6
Sui	Baluchistan	1952	242.86	64.62	178.24
Zin*	Baluchistan	1954	2.82	—	2.82
Uch*	Baluchistan	1956	70.43	—	70.43
Khairpur*	Sind	1957	28.17	—	28.17
Mazarani	Sind	1959	2.54	—	2.54
Kandacot	Sind	1959	11.55	—	11.55
Mari	Sind	1957	81.42	4.76	76.66
Sari	Sind	1966			
Hundi	Sind	1970	2.23	0.65	1.58
Dhulian/Mayal	Punjab	1944/1968	12.76	7.97	4.79
Dhodak	Punjab	1976	—	—	—
Pirkoh	Baluchistan	1977	—	—	—
		Total :—	454.78	78.00	376.78

*Reserves of poor quality gas = 101.42

Source : Ministry of Petroleum & Natural Resources.

TABLE 7.7

PRODUCTION OF NATURAL GAS & ASSOCIATED GAS IN PAKISTAN BY FIELD.

(In million cu. metres)

Year	Natural gas		Associated gas			
	Sui	Mari	Sari/Hundi	Dhulian	Meyal	Total
1	2	3	4	5	6	7
1955	43 .25	—	—	0 .08	—	43 .33
1956	226 .09	—	—	13 .66	—	239 .75
1957	333 .52	—	—	23 .36	—	356 .88
1958	428 .30	—	—	35 .95	—	464 .25
1959	490 .62	—	—	34 .43	—	525 .05
1959-60	562 .52	—	—	45 .50	—	608 .02
1960-61	699 .07	—	—	78 .49	—	777 .56
1961-62	804 .30	—	—	99 .31	—	903 .61
1962-63	923 .42	—	—	106 .38	—	1,029 .80
1963-64	1,172 .06	—	—	116 .07	—	1,288 .13
1964-65	1,435 .17	—	—	123 .37	—	1,558 .54
1965-66	1,722 .09	—	—	137 .91	—	1,860 .00
1966-67	1,890 .91	—	—	144 .08	—	2,034 .99
1967-68	2,001 .38	—	—	150 .36	—	2,151 .74
1968-69	2,375 .25	138 .12	—	141 .12	—	2,654 .87
1969-70	2,641 .21	280 .19	—	204 .26	7 .49	3,133 .15
1970-71	2,725 .47	330 .31	—	273 .12	3 .30	3,332 .20
1971-72	2,948 .69	273 .57	—	292 .13	1 .30	3,515 .69
1972-73	3,434 .44	302 .53	—	291 .37	3 .16	4,031 .49
1973-74	4,036 .93	308 .84	—	249 .51	1 .58	4,596 .86
1974-75	4,363 .24	317 .80	—	246 .86	29 .41	4,957 .31
1975-76	4,229 .84	325 .69	94 .32	218 .51	96 .21	4,964 .57
1976-77	4,464 .92	334 .56	125 .01	185 .86	267 .14	5,377 .49
1977-78	4,756 .13	334 .06	93 .40	212 .49	393 .41	5,789 .49
1978-79	5,198 .43	390 .37	105 .34	174 .79	431 .48	6,300 .41
1979-80	6,361 .41	455 .23	97 .48	142 .95	448 .38	7,505 .45
1980-81	6,977 .37	985 .29	89 .56	65 .40	329 .07	8,446 .65

Source : Ministry of Petroleum and Natural Resources.

TABLE 7.8

GAS CONSUMPTION BY SECTOR

(In million cu. metres)

Year	Residential	Commercial	Cement	Fertilizer	Power	G. Industries	Total
1955-56	—	—	26.90	—	—	71.45	98.35
1956-57	—	—	91.17	—	82.32	78.15	251.64
1957-58	0.08	0.65	105.79	—	102.07	119.79	328.38
1958-59	0.51	3.75	134.70	—	122.95	111.79	373.70
1959-60	1.10	6.96	160.08	—	142.70	132.05	442.89
1960-61	2.20	9.13	158.25	—	162.84	147.41	479.83
1961-62	3.83	10.40	171.94	—	190.29	172.59	549.02
1962-63	5.89	12.48	172.42	—	207.50	196.43	594.7
1963-64	8.40	14.34	237.59	34.29	369.94	261.45	953.01
1964-65	11.44	16.82	281.09	82.35	661.01	331.75	1,384.46
1965-66	14.85	20.09	278.47	783.5	850.99	382.06	1,624.81
1966-67	18.31	26.57	356.99	82.35	806.59	491.18	1,781.99
1967-68	21.52	31.02	411.62	86.16	786.44	560.91	1,897.68
1968-69	26.68	38.26	483.07	231.70	958.53	602.33	2,340.587
1969-70	36.63	46.97	489.00	374.60	1,192.99	684.68	2,824.7
1970-71	49.16	48.18	526.18	408.07	1,221.16	757.20	3,004.57
1971-72	63.70	54.80	462.02	627.88	1,143.29	784.08	3,141.77
1972-73	84.04	64.94	588.49	779.99	1,220.77	848.62	3,586.85
1973-74	11.036	84.18	649.52	846.52	1367.81	1,013.16	4,071.09
1974-75	142.70	99.17	694.99	879.11	1,459.43	1,140.73	4'416.13
1975-76	174.84	118.72	671.89	890.99	1,395.02	1,169.41	4,420.88
1976-77	211.25	131.97	634.90	896.07	1,714.01	1,173.89	1,762.09
1977-78	274.19	148.90	683.52	898.04	1,692.37	1,348.20	5,045.22
1978-79	340.39	170.79	682.03	1,148.05	1,712.96	1,396.49	5,450.91
1979-80	409.25	186.12	720.15	1,306.97	2,261.31	1,539.86	6,431.61
1980-81	499.75	212.44	733.94	1,587.21	2,387.53	1,767.84	7,458.71

Sources: Ministry of Petroleum and Natural Resources.

TABLE 7.9

COAL PRODUCTION

(In thousand metric tons)

Year	Production
1949-50	444
1950-51	513
1951-52	610
1952-53	593
1953-54	563
1954-55	538
1955-56	655
1956-57	523
1957-58	606
1958-59	745
1959-60	830
1960-61	915
1961-62	955
1962-63	1,243
1963-64	1,257
1964-65	1,231
1965-66	1,291
1966-67	1,280
1967-68	1,239
1968-69	1,428
1969-70	1,291
1970-71	1,383
1971-72	1,214
1972-73	1,196
1973-74	1,212
1974-75	1,295
1975-76	1,055
1976-77	1,200
1977-78	1,251
1978-79	1,387
1979-80	1,569
1980-81	1,576

Source : Ministry of Petroleum & Natural Resources.

TABLE 7.10

IMPORT OF COAL IN PAKISTAN

(Thousand Tons)

Year	Quantity	Percent of consumption
1948	554	72.4
1950	600	60.2
1952	750	81.5
1954	537	47.8
1956	665	49·2
1958	473	38.0
1960	558	40.2
1962	562	34.8
1964	191	13.2
1965-66	120	8.5
1966-67	37	2.7
1967-68	22	1.7
1968-69	33	2.3
1969-70	23	1.7
1970-71	54	4.0
1971-72	32	2.6
1972-73	31	1.7
1973-74	20	1.8
1974-75	17	1.9
1975-76	18	2.5
1976-77	23	2.8
1977-78	16	1.8
1978-79	**	—
1979-80	19	1.2
1980-81	155	13.8

Source : Ministry of Petroleum & Natural Resoruces, and PMDC.

** — Negligible import of 79 metric tons.

TABLE 7.11

COAL CONSUMPTION BY SECTOR

(Metric tons)

Year	Power Generation	Brick Kilns	Domestic	Others	Total
1965	149,736	877,508	30,969	193,051	1,251,264
1966	146,668	1,085,047	30,980	191,852	1,454,547
1967	144,534	951,842	32,006	203,283	1,331,665
1968	144,534	1,053,011	34,068	198,284	1,429,897
1969	144,534	1,099,475	33,032	193,925	1,470,966
1970	134,211	1,145,929	30,969	185,877	1,496,986
1971	134,272	1,065,397	30,969	186,914	1,417,552
1972	56,777	1,170,701	33,032	49,553	1,310,063
1973	56,777	1,170,726	33,032	41,293	1,238,826
1974	56,777	1,064,371	33,032	36,131	1,190,311
1974-75	45,723	1,120,291	55,883	25,808	1,247,705
1975-76	40,143	974,065	40,554	9,957	1,073,152
1976-77	51,531	1,107,800	40,881	23,130	1,223,342
1977-78	25,439	1,186,041	38,938	14,613	1,266,031
1978-79	28,418	1,316,677	29,457	12,258	1,386,800
1979-80	19,000	1,512,000	26,000	12,000	1,569,000
1980-81	30,603	1,517,381	21,146	7,780	1,576,917

Source : P.M.D.C. & Ministry of Petroleum and Natural Resources.

TABLE 7.12

COAL RESOURCES OF PAKISTAN

(Million Tonnes)

	Location	Reserves
Sor Range-Dagari	Baluchistan	53
Khost-Sharigh-Harani	Baluchistan	41
Mach	Baluchistan	15
Makerwal-Gulakhel	Punjab (Trans-Indus Area)	19
Salt Range	Punjab (Salt Range Area)	75
Metting Jhimpir	Sind	29
Lakhra	Sind	224
	Total	456

Source : Ministry of Petroleum and Natural Resources.

TABLE 7.13

INSTALLED CAPACITY OF ELECTRICITY

(Unit M.W.)

Year	Hydel	Thermal	Nuclear	Total
1948	10.70	57.91	—	68.61
1949	10.70	62.95	—	73.65
1950	10.70	75.75	—	86.45
1951	20.70	84.96	—	105.66
1952	42.70	87.34	—	130.04
1953	42.70	100.98	—	143.68
1954	62.70	100.90	—	163.60
1955	62.70	105.42	—	168.12
1956	62.70	144.00	—	206.70
1957	64.70	151.38	—	216.08
1958	66.70	161.70	—	228.40
1959	79.40	161.70	—	241.10
1960	239.90	253.42	—	493.32
1961	253.40	268.48	—	521.88
1962	253.40	331.48	—	584.88
1963	267.20	458.68	—	725.88
1964	267.20	475.30	—	742.50
1964-65	267.00	631.75	—	898.75
1965-66	267.00	680.95	—	947.95
1966-67	467.00	843.95	—	1,310.95
1967-68	567.00	843.95	—	1,410.95
1968-69	567.00	902.95	—	1,469.95
1969-70	667.00	1,057.95	—	1,724.95
1970-71	667.00	1,052.55	137.00	1,856.55
1971-72	667.00	1,058.25	137.00	1,862.25
1972-73	767.00	1,067.75	137.00	1,971.75
1973-74	867.00	1,067.75	137.00	2,071.75
1974-75	867.00	1,426.40	137.00	2,430.40
1975-76	867.00	1,523.73	137.00	2,527.73
1976-77	1,567.00	1,629.28	137.00	3,333.28
1977-78	1,567.00	1,648.83	137.00	3,352.83
1978-79	1,567.00	1,648.33	137.00	3,352.33
1979-80	1,567.00	1,748.00	137.00	3,452.00
1980-81	1,847.00	2,080.00	137.00	4,064.00

Source : WAPDA and KESC/Ministry of Petroleum and Natural Resources.

TABLE 7.14

GENERATION OF ELECTRICITY BY SOURCE

(In-million kwhs).

Year	Hydel	Thermal	Industrial Establishment	Nuclear	Total
1948	23.53	94.37	24	—	141.90
1949	35.79	115.06	38	—	188.85
1950	50.49	105.61	56	—	212.10
1951	58.62	147.51	85	—	291.13
1952	102.37	179.53	125	—	406.90
1953	184.88	199.92	161	—	545.80
1954	242.25	226.71	189	—	657.96
1955	307.36	286.23	218	—	811.59
1956	417.96	307.64	235	—	960.59
1957	437.15	393.04	363	—	1,193.19
1958	450.00	616.00	403	—	1,469.00
1959	511.00	615.00	480.	—	1,606.00
1959-60	507.00	540.00	540	—	1,587.00
1960-61	645.00	653.00	534	—	1,832.00
1961-62	945.00	747.00	539	—	2,231.00
1962-63	1,176.00	995.00	535	—	2,706.00
1963-64	1,366.00	1,346.00	540	—	3,252.00
1964-65	1,362.00	1,814.00	—	—	3,176.00
1965-66	1,425.00	2,273.00	—	—	3,698.00
1966-67	1,530.00	2,395.00	—	—	3,925.00
1967-68	2,482.00	2,195.00	—	—	4,677.00
1968-69	2,792.00	2,726.00	—	—	5,518.00
1969-70	2,915.00	3,465.00	—	—	6,380.00
1970-71	3,449.00	3,752.00	—	1	7,202.00
1971-72	3,679.00	3,789.00	—	104	7,572.00
1972-73	4,335.00	3,738.00	—	304	8,377.00
1973-74	4,141.00	4,465.00	—	459	9,064.00
1974-75	4,359.00	4,977.00	—	605	9,941.00
1975-76	5,435.00	4,274.00	—	610	10,319.00
1976-77	5,185.00	5,271.00	—	421	10,877.00
1977-78	7,442.00	4,702.00	—	231	12,375.00
1978-79	8,232.00	5,836.00	—	106	14,174.00
1979-80	8,714.00	6,258.00	—	2	14,974.00
1980-81	9,065.00	7,048.00	—	150	16,263.00

Source : Ministry of Petroleum & Natural Resources, WAPDA, KESC.

8

ISLAMISATION OF THE ECONOMY

ISLAM goes beyond the bounds of modern concept of religion and prescribes an ideal way of life encompassing all its myriad dimensions. It provides a complete system embracing socio-economic values, codes and goals for the society to be pursued. Pakistan having been created in the name of Islam, remmained devoid of the Islamic system since its creation in its pursuit of socio-economic goals of prosperity. Hence the development model adopted differed widely from that based on Islam. As a result the economic achievements made in the past failed to satisfy national aspirations. The present Government, from the very beginning has rightly put a greater emphasis on the Islamisation of the economy which offers solution to varied problems that have continued to persist and afflict the society in spite of harnessing the modern know-how.

2. The President of Pakistan announced on 12th Rab-ul-Awwal 1399 (*i.e.*, 10th February, 1980) a three year plan for the implementation of an Islamic Economic System. The institutionalisation of Zakat and introduction of interest free banking are the two most important measures directed to Islamise the economy. These aim at freeing the economic order from exploitation and providing equal socio-economic opportunities to the needy. Various measures adopted by the present Government have been elaborated as under :—

ZAKAT AND USHR

3. On 20th June, 1980 the President of Pakistan promulgated the Zakat and Ushr Ordinance, 1980. The Ordinance came into operation from that date except the provisions relating to Ushr which will come into force from a date to be announced later on by the Government. The Ordinance lays down principles for the collection of Zakat and its disbursement to "mustahequeen" under the "Shariah". It envisages an institutionalized arrangement for operating the system effectively.

4. According to the First Schedule of the Zakat and Ushr Ordinance, 1980 compulsory deduction of Zakat will be made on eleven types of assets, namely, Savings Banks Accounts, Notice Deposit Receipts/Accounts, Fixed Deposit Receipts/Accounts, Savings/Deposits Certificates, NIT Units, ICP Mutual Fund Certificates, Government Securities, shares of companies and statutory corporations, Annuities, Life Insurance Policies and Provident Funds at the rate of 2.5 per cent of the face value, paid-up value, surrender value, etc., as given in that Schedule.

5. Under the law, the financial institutions maintaining the above assets on behalf of the" sahib-e-nisab" will deduct Zakat and deposit the same into the Central Zakat Fund Account. The Zakat moneys so collected will be available for disbursement according to the Zakat (Transfer and Disbursement) Rules, 1980.

6. The socio-economic impact of the Zakat and Ushr Ordinance may be seen from the fact that so far an amount of Rs. 750 million has been released from the Central Zakat Fund, in three instalments of Rs. 250 million each, in July 1980, October, 1980 and May 1981. This amount has been transferred to the Provincial Zakat Funds for distribution to the Local Zakat Committees with the approval of the Provincial Zakat Councils. There are about 32,070 Local Zakat Committees in the country. The Chairmen and members of these Local Zakat Committees are non-official public representatives of the peoples of the area.

7. During the first year, that is, from 20th June, 1980 to 30th June, 1981, the amount of Zakat deducted at source received in the Central Zakat Fund in respect of the eleven types of assets was Rs. 843.50 million. In addition Rs. 1.47 million were received into the Central Zakat Fund as Zakat Voluntary.

8. Province-wise distribution of the instalments so far released was as follows :—

		(million Rs.)
Punjab	..	147.50
Sind ..	..	50.00
NWFP	..	35.00
Baluchistan	..	15.00
Islamabad (Capital Territory)		2.50
Total	..	250.00

9. The disbursement of Zakat began in the month of Ramadhan, 1399 A.H. to the widows, the orphans, the disabled, the handicapped and the students of "deeni madaris" eligible to receive Zakat under the "Shariah". The lists of "mustahequeen" were prepared by the Local Zakat Committees. A Local Zakat Committee is free to disburse Zakat to "Mustahequeen" on the basis of funds available with it and according to its local circumstances. The number of "mustahequeen" and "deeni-madaris" who benefitted by Zakat Assistance are about 2.17 million and 2,425 respectively.

ELIMINATION OF INTEREST

10. The process of interest elimination was initiated in 1979-80. Further in the 1980-81 budget, the Government had announced a comprehensive package of policy measures in order to replace interest system. The progress so far made in this respect is given below :—

Modarabas :

11. Modaraba means a business in which a subscriber participates with his money and the manager participates with his efforts and skill and profits on investment made out of the Modaraba Funds are distributed among the subscribers. The objects of Modaraba will be restricted to only such businesses as are permitted under the Islamic "Shariah". The Bankers Equity Limited has been registered as Modaraba Company under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 with the Registrar, Modarabas, and has started its operation styled as the Twin-Tower Modaraba.

Participation Term Certificates :

12. In the fixed corporate finance, Participation Term Certificate is being devised which would replace debentures of interest-bearing.

Investment Corporation of Pakistan :

13. Investment Corporation of Pakistan has transformed the operations of all its twelve Mutual Funds and its other schemes into an investment media free from the element of interest. From January 1, 1981. ICP started accommodating applications for providing finances based on a new interest-ree mechansim of Participation Term Certificates.

National Investment (Unit) Trust :

14. National Investment (Unit) Trust has started operating interest free investment since July, 1979. It has been making investments on the basis of equity participation only and there has been steady improvement in its operations and income. As on 30th June, 1981 its investment in shares stood at Rs. 1,008 million at cost and Rs. 1,060 million at market value, showing an appreciation of Rs. 52 million. NIT has declared dividend for the year ended 30th June, 1981 at the rate of Rs. 1.35 per unit.

Small Business Finance Corporation :

15. The Small Business Finance Corporation introduced a new scheme of financial assistance to cottage industries, small scale industries, workshops, small businessmen and artisans on profit and loss sharing basis as well as on hire purchase system w.e.f., 1st July 1980. Under Hire Purchase system the Corporation buys the equipment and hires it to the hirer against 40 per cent down payment. The hirer becomes the owner at the expiry of the period specified and after payment of instalments. In the interim period he has to pay monthly hire at the rate of 11 per cent per annum on that portion of the equipment which is financed by the corporation and thus shares his profits with the corporation. The Corporation from 1st July 1980 to 30th June 1981 has provided financial assistance to the extent of Rs. 28.43 million to 4,313 individuals/firms etc., on profit and loss sharing basis and under Hire Purchase system.

House Building Finance Corporation :

16. The loan operations of House Building Finance Corporation under the new scheme are being financed through credit lines issued by the State Bank of Pakistan. The finances are provided on partnership basis entitling State Bank of Pakistan to share the profit accrued to HBFC on its operations, less administrative expenses over and above those charged to the partner. The income sharing loaning scheme was introduced from August, 1979. During 1980-81 the Corporation approved housing investment of about Rs. 1,053 million under the new scheme compared to Rs. 808 million during 1979-80.

Interest free Farming Loans :

17. Interest free agricultural production loans for purchase of seed, fertilizers, pesticides etc have been advanced to small farmers with subsistence holding since 1979-80. An amount of Rs. 825.67 million was disbursed in 1979-80 as interest free loans to farmers. The disbursements were made in kind. The bulk of these loans have been handled by the cooperative banks.

Interest Free Counters :

18. In January 1981 interest free deposit counters were opened in all the branches of nationalised commercial banks. From amongst the foreign banks, only one bank has opened these counters. The counters operate parallel with conventional banking activities and the depositors still have the option of choosing to make interest bearing deposits. The rates of profit declared by various-banks on PLS savings accounts for six months ending June 1981 ranged from 8.5 per cent to 9 per cent. In case of PLS term deposit accounts of various maturities the rates of profit for the period ranged from 10.75 percent to 15.25 per cent The total PLS deposits in the nationalised commercial banks stood at Rs. 3,186 million on 30th June 1981. Out of this Rs. 2,295 million were in the PLS saving accounts and Rs. 8.91 million in Term Deposit Accounts.

Qarz-e-Hasna :

The Nationalised banks will provide interest free Qarz-e-Hasna to the deserving students to meet their financial needs in the pursuit of their studies. This will be in addition to Zakat to which deserving students may be entitled. The operational rules and other details of this programme have been finalised and its implementation has been started from 1st July, 1981.

9

MONEY AND BANKING

Monetary and Credit Policy :

The monetary and credit policy pursued during 1980-81 aimed primarily at checking inflationary pressures through containing credit expansion within reasonable limits, encouraging productive use of credit and discouraging its use for unproductive activities like hoarding and speculations.

2. As a part of the overall credit policy, credit planning is undertaken on annual basis taking into account the overall national economic objectives as enunciated in the Annual Plan. The National Credit Consultative Council (NCCC) is responsible for making recommendations on credit flows in the light of the sectoral priorities and the targets laid down in the Annual Plan.

3. Within the estimated sectoral credit needs, the State Bank of Pakistan, on the basis of the recommendations of the National Credit Consultative Council (NCCC), has been prescribing mandatory credit targets for every nationalised commercial bank in respect of the small loans for agricultural production, low-cost housing and small business and industry as well as for loans for financing of tractors, tubewells and land improvement. Over the years, a number of changes and improvements have been introduced in this system in the light of the experience. Thus, as from 1979-80, the State Bank of Pakistan started prescribing the credit targets for small business and small industry separately as against the previous practices of prescribing the target for small business and industry combindly. During 1980-81, no target for small loans for housing was prescribed in view of the ban on commercial banks' loans for residential construction/purchase of builtup house or flat. In the same year, the purview of mandatory target in respect of loans to the agricultural sector was enlarged and, for the first time, the entire amount of agricultural credit estimated to be required from commercial banks was prescribed for them as mandatory target ; within this, a sub-target for small loans for agricultural production was also made mandatory. Mandatory credit allocations and utilizations are shown in Table 9.3.

4. The salient features of interest rate structure, liquidity ratio and reserve requirements are indicated as under :—

(*i*) The Central Bank Discount Rate is 10 per cent per annum. and the lending rates of the scheduled banks vary from zero per cent per annum. in the case of production loans to subsistence farmers to a maximum of 14 per cent per annum. on general purpose loans.

(*ii*) Finance by banks under Export Finance Scheme is provided at 3 per cent rate of interest, and the State Bank of Pakistan provides refinance to the lending banks at zero rate of interest.

(*iii*) Financing by commercial banks of exports of locally manufactured machinery is done at a rate of interest of 2 per cent and the State Bank provides refinance at zero rate of interest. For financing local sales, concessional rate is charged by P.I.C.I.C., I.D.B.P. and N.D.F.C. which is 2 per cent below the rate of interest at which foreign currency loans are given by these institutions for the import of similar machinery. The State Bank provides refinance to the lending institutions at 2 per cent below the rate charged by them.

(*iv*) Financing of fixed industrial and agricultural investment by commercial banks is done at 11 per cent rate of interest.

(*v*) The minimum rate of interest on credit against finished goods (excluding capital goods) has been fixed at 13 per cent.

(*vi*) Farmers or tenant cultivators owing/tilling "Subsistence holdings" are eligible for interest-free production loans upto Rs. 6,000 per year subject to a limit of Rs. 500 per acre.

(*vii*) The minimum rate of interest on bank advances in cases other than those covered by (i) to (vi) above has been fixed at 11 per cent and the maximum rate at 14 per cent.

(*viii*) Liquidity ratio at 35 per cent of the demand and time liabilities in Pakistan is required to be maintained by commercial banks in the form of cash in hand, balance with the State Bank and gold or unencumbered approved securities.

(*ix*) Under the statutory cash reserve requirement scheduled banks are obliged to maintain at least 5 percent of the total demand and time liabilities in Pakistan in cash with the State Bank of Pakistan.

(*x*) Minimum interest rates on deposits are prescribed by the State Bank for the scheduled banks which vary from 5-1/2 per cent *per annum* to 12-3/4 per cent *per annum* depending on the maturity periods of the deposits.

(*xi*) Selective credit control measures are taken by the State Bank from time to time to regulate credit flows in the desired directions and to prevent misuse of credit for speculation and hoarding.

(*xii*) Banks incorporated in Pakistan were required to raise the aggregate level of paid-up capital and unencumbered general reserves by 31st December, 1980 to 5 per cent of the total demand and time liabilities as of 31-12-1972. Through an amendment in the Banking Companies Ordinance, 1962, effective from 18th September, 1980, the required ratio of the aggregate of paid-up capital and unencumbered general reserves to the demand and time liabilities as of 31-12-1972 was raised to 7.5 per cent. This ratio is to be achieved by 31st December, 1985.

Monetary Assets* :

5. The money supply (*i.e.* total monetary assets) has increased over the period 1948—1981 due to expansion in economic activities and monetisation of the barter sector of the economy. The pace of monetary expansion has varied from one period to the other. The monetary assets grew by an annual compound rate of 8·9 per cent during 1948—58, 10.3 per cent during 1958—68, 9.5 per cent during 1968-71, 18.0 per cent during 1972—74 and 20.67 per cent during 5th July, 1974 to June 1981. The outstanding level of monetary assets which was Rs. 2,809.6 million in December, 1948 rose to Rs. 6,560.4 million in June 1958, to Rs. 17,482.3 million in June 1968, and to Rs. 22,975.5 million in June 1971. At the end of June 1972, the outstanding level declined to Rs. 22,059 million but again rose to Rs. 30,691 million in June, 1974. From July 5th, 1974 ** to June 26, 1981 the level of monetary assets† increased more than three-fold *i.e.*, from Rs. 28,000 million to Rs. 103,997 million.

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*Previously monetary assets were defined to include currency-in-circulation, demand and time deposits (excluding inter-bank deposits) of scheduled banks, 'Other' deposits with State Bank (excluding IMF A/C No. 1 & 2, counterpart funds and other loan accounts), deposits of non-scheduled and cooperative banks with State Bank and Post Office savings bank deposits. As from 1979-80, however, the definition of monetary assets has been modified to conform to the IMF basis and the monetary assets data pertaining to the year 1972 onward have accordingly been revised. Monetary assets are now defined to comprise currency-in-circulation, demand and time deposits (excluding inter-bank deposits and deposits of Government and foreign constituents) of scheduled banks and 'Other' deposits with State Bank (excluding counterpart funds, U.S.D.O.'s balances, deposits of foreign governments, foreign central banks and international organisations).

** Beginning with the fiscal year 1974-75, the assets and liabilities of State Bank of Pakistan and scheduled banks pertaining to their brances in former East Pakistan were excluded from the specific items and the net position added to the Other assets or "Other liabilities" as the case may be. The data for the period subsequent to June, 1974 are therefore not comparable with those for the earlier periods.

† Provisional.

6. Data on individual components of monetary assets reveal that currency-in-circulation rose from Rs. 1,707.9 million in December, 1948 to Rs. 8,156.7 million in June 1971 indicating an increase of Rs. 6,448.8 million over the period. The outstanding level of currency-in circulation rose from Rs. 5,173 million * in June 1972 to Rs. 9,307 million* in June 1974 denoting a rise of Rs. 4,134 million over the period. The outstanding level which was Rs. 9, 603 million on 5th July, 1974 increased by Rs. 25,805 million to Rs. 35,408.0 million in June 1981.

7. Deposit money went up from Rs. 1,101.7 million in December, 1948 to Rs. 14,818.8 million in June 1971 indicating a rise of Rs. 13,717.1 million over the period. It rose from Rs. 16,886 million in June, 1972 to Rs. 21,384 million in June, 1974 recording an increase of Rs. 4,498 million over the period. Its outstanding level which was Rs. 18,397 million on 5th July, 1974 went up to Rs. 68,589 million in June, 1981. Trends in components of Monetary Assets are shown in tables 9.6

Growth Trends in Monetary Assets During the Year :

8. During the year 1980-81, monetary assets recorded an expansion of Rs. 13,309.0 million compared with Rs. 14,163.0 million in the preceding year. Growth in monetary assets, however, registered deceleration during the year. As against 18.5 per cent increase recorded during the previous year, the year under review withnessed a rise of 14.7 per cent. This was attributable to the foreign sector which exercised contractionary influence as against the expansionary influence in the preceding year. The increase in credit to the private sector in 1980-81 was also lower compared to the preceding year.

9. The expansion in monetary assets is reflected in a substantial expansion in currency-in-circulation, which amounted to Rs. 7,58 2.0 million compared to expansion of Rs. 3,984 million during the last year. Demand and time deposits (excluding inter-bank deposits and estimated deposits of Central and Provincial Governments and foreign constituents) showed an increase of Rs. 5,571.0 million compared with Rs. 10,132.0 million during the preceding year. Of the total expansion in monetary assets, currency-in-circulation accounted for 57.0 per cent as against 28.1 per cent last year. The rising trend in currency-in-circulation is attributable to the inflow of home remittances, better agricultural prices combined with bigger crops and increased demand for cash for transaction purposes.

Sectoral Trends :

10. The decline in the growth rate of monetary assets was attributable to draw-down of Rs. 111 million in foreign exchange reserves as against the accretion of Rs. 2,737 million in the preceding year. The rate of domestic credit expansion during 1980-81 was in fact somewhat higher than last year.

11. The Government Sector accounted for a net expansion of Rs. 5,736 million which was largely due to the substantial increase in borrowings for commodity operations amounting to Rs. 3,471 million in 1980-81 as compared with Rs. 1,043 million in the preceding year. The deficit financing was, however, comparatively

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* Adjusted for demonetisation and unrecovered currency notes which are no longer legal tender.

lower as it amounted to Rs. 3,596 million as against Rs. 4,410 million during the preceding year. However, taking into account the increase of Rs. 1,331 million in Government deposits with commercial banks the net Government recourse to deficit financing during 1980-81 works out to Rs. 2,266 million. A lower level of deficit financing during the year was due to the restraint applied by the government to monetary expansion.

12. Monetary expansion emanating from non-Government Sectors amounted to Rs. 8,129 million as compared with Rs. 7,937 million in the preceding year, out of which private sector credit expansion stood at Rs. 5,003 million and of Public Sector enterprises Rs. 3,126 million as against Rs. 6,023 million and Rs. 1,914 million respectively during the last year. Other items exerted a contractionary influence of Rs. 446 million compared with Rs. 1,504 million in the preceding year.

State Bank of Pakistan :

13. The State Bank of Pakistan, the central bank of the country, came into existence on July 1, 1948 as the successor in Pakistan to the Reserve Bank of India. At the time of its establishment, the State Bank inherited only three small branches. Over the years a number of branches have been opened in major cities in the country. Upto 31st December, 1973, the State Bank was a Government-*cum*-share-holder's Bank in terms of its original statute with government owning 51 percent of the total share capital of Rs. 30 million. On 1st January, 1974, the State Bank was nationalised under the Banks (Nationalisation) Act 1974 and the Bank became a purely Government-owned institution.

14. The main objectives of the State Bank are to regulate the monetary and credit system of the country and to foster its growth in the best national interests with a view to securing monetary stability and fuller utilisation of the country's productive resources. For regulating the monetary and credit situation in the country, the State Bank is empowered to make use of the usual weapons of monetary control. It can change the Bank Rate and conduct open market operations. The minimum cash reserves, which the scheduled banks are required to maintain with State Bank, and the minimum liquidity ratio can also be varied from time to time. The Bank also enjoys wide powers to impose and vary selective credit controls. It can issue directions to banking companies about the policy to be followed in making advances, the purposes for which advances may or may not be made, the margins to be kept in respect of secured advances and the rates of interest to be charged on various types of advances.

15. The transactions of the State Bank are conducted, in accordance with the statutory provisions laid down for this purpose, through two separate departments, namely the Issue and Banking Departments. The Issue Department deals with note issue while Banking Department transacts general banking business. The accounts of these two departments are maintained separately and are separately published.

16. The tables 9.1 and 9.2 show the assets and liabilities of the State Bank in its Banking and Issue Departments for the period 1948—1981.

Scheduled Banks :

17. The scheduled banks constitute the most important source of institutional credit. Being the country's largest deposit institutions and the main source of short-term credit these play a crucial role in the economy of Pakistan. Realising the need to channelise large resources at the disposal of commercial banks into productive use and eliminate certain malpractices in credit use, Banking Reforms

Order was introduced in 1972 which aimed at (a) improving the soundness and efficiency of banks. (b) bringing about a more purposeful and equitable distribution of bank credit and (c) ensuring greater social accountability of the banking system. The State Bank has been vested with wider powers for the purpose of implementing the banking reforms. Since then, credit allocations are made by the National Credit Consultative Council according to the sectoral targets and objectives laid down in the Annual Plan.

18. In January, 1974, all the Pakistani scheduled banks were nationalised. The Pakistan Banking Council was formed to look after their organizational and operational matters including evaluation of their performance and progress, while the State Bank provides them the overall policy guidelines.

19. Banking Companies in Pakistan can be divided into two categories : Scheduled banks and non-scheduled banks. A scheduled bank is a bank which is carrying on the business of banking in Pakistan and which (1) is a banking company as defined in Section 32-F of the Companies Act 1913 or a cooperative bank, or a corporation or a company incorporated or established under any law in force in any place in or outside Pakistan, (ii) has a paid-up capital and reserves of an aggregate value of not less than Rs. 0.5 million (provided that in the case of a co-operative bank an exception may be made by the State Bank), (iii) Satisfies the State Bank that its affairs are not being conducted in a manner detrimental to the interests of its depositors.

20. Banking in Pakistan has recorded rapid progress since the birth of Pakistan' Pakistani banks have struck deep roots in the economic life of the country. Both the Pakistani and foreign scheduled banks are operating in the country. At the end of June, 1948, Pakistani Banks accounted for 12.8 percent of the total number of scheduled bank branches (25 branches out of the total of 195). Since then vast expansion in bank branches has taken place and there were 7,128 Pakistani banks branches in the country at the end of June, 1981, accounting for 99.23 percent of the total bank branches. Pakistani banks also accounted for 91.31 percent of the total demand and time liabilities (excluding, inter-bank items) and 88.85 percent of total bank credit (excluding inter-bank advances) in the country at the end of June, 1981. Consolidated position of the scheduled banks is given in Table: 9.4 and the outstanding level of their advances by economic groups is given in table 9.5.

Islamisation of the Financial and Banking Operations :

21. In order to facilitate introduction of interest free economic system in Pakistan in accordance with the tenets of Islam, interest is being gradually eliminated from the operations of various financial institutions. Separate interest-free counters have been opened in all branches of the nationalised commercial banks for accepting interest-free deposits from 1st January, 1981. The interest-free counters are accepting PLS savings deposits and PLS Term deposits. During the the initial phase, the interest-based system will exist parallel with the interest-free system. Funds mobilised through interest-free counters will only be investible in interest-free avenues. Investment of the interest-free deposits will be made on the basis of participation in profit and loss, mark-up in price, lease and hire-purchase. Returns on profit or share in the loss will be distributed every six months.

22. In order to encourage financing of business on the basis of profit participation and to provide legal cover to such activities, a new law, called the Modaraba as Companies and Modarabas (Floatation and Control) Ordinance, 1980 has been promulgated. The Modarabas will provide risk capital on the basis of sharing profit and loss in the form of equity, and loans with equity features for setting up 'halal' (permissible under the Shariah) business. In the field of corporate finance a new instrument namely participation Term Certificate (PTC) has been devised which would replace debentures carrying fixed rate of interest.

23. In order to facilitate introduction of the first phase of interest-free banking from 1st January, 1981, necessary amendments were enacted in banking laws *viz.*, State Bank of Pakistan Act, 1956 ; Banking Companies Ordinance 1962 ; Banks (Nationalisation) Act, 1974 ; and Banking Companies (Recovery of Loans) Ordinance, 1979.

24. Interest has been completely eliminated from the operations of the House Building Finance Corporation, the National Investment (Unit) Trust, and the Investment Corporation of Pakistan. Interest-free production loans are being provided by the nationalised commercial banks to small farmers with subsistence holding. The coverage of the scheme for agricultural loans was expanded as from 22nd April, 1981 to include ' fisheries ' (inland and marine excluding deep sea fishing), and to provide interest free loans to small fishermen. The scope of interest-free loans has also been extended to cover loans to cooperatives for water course improvement. Arrangements have also been finalised for provision of interest-free loans (Qarz-e-Hasana) by commercial banks to deserving students for pursuing their studies.

25. The response of the public to the PLS's deposits scheme has been encouraging, and the growth in PLS deposits has been quite impressive. The total PLS deposits in the commercial banks stood at Rs. 2,597 million on 25-6-1981. Out of this, Rs. 1,673 million (64.4%) was in PLS savings deposits and Rs. 924 million (35.6%) was in PLS Term Deposit Accounts.

TABLE 9.1

LIABILITIES AND ASSETS OF ISSUE DEPARTMENT

(Million Rupees)

Last Fridays-Thursdays	Liabilities			Assets													
				A-Gold and Foreign Assets					B—Domestic Assets				C—With Reserve Bank of India Pending Transfer to Pakistan				
	Notes in Banking Department	Notes in Circulation	Total Liabilities or Assets	Gold	S.D.R.	Approved Foreign Exchange	Government of India Notes	Total	Rupee Coin	Government of Pakistan Securities	Internal Bills of Exchange and other Commercial paper	Total	Gold	Sterling Securities	Government of India Securities	Rupee Coin	Total
1948 July 2	21.5	520.8	542.3	—	—	—	5.2	5.2	21.3	—	—	21.3	17.0	345.2	136.9	16.6	515.7
1949 June 24	57.6	1,682.0	1,739.5	42.1	—	1,166.4	419.4	1,627.9	52.6	—	—	52.6	1.9	38.8	15.4	3.0	59.0
1950 June 30	50.6	1,714.4	1,765.0	42.1	—	815.1	299.9	1,157.1	55.7	509.8	—	565.4	1.9	30.6	7.0	3.0	42.5
1951 June 28	55.4	1,924.2	1,979.6	42.1	—	952.3	299.9	1,294.3	40.2	602.6	—	642.8	1.9	30.6	7.0	3.0	42.5
1952 June 27	61.4	2,093.6	2,154.9	79.1	—	903.7	299.9	1,282.7	63.3	766.5	—	827.9	1.9	30.6	7.0	3.0	42.5
1953 June 26	103.8	2,080.6	2,184.4	79.1	—	509.6	299.9	888.6	62.8	1,190.6	—	1,253.4	1.9	30.6	7.0	3.0	42.5
1954 June 25	123.8	2,240.2	2'364.0	79.1	—	523.6	299.9	902.7	52.3	1,366.6	—	1,418.9	1.9	30.6	7.0	3.0	42.5
1955 June 24	118.9	2,416.5	2,535.4	79.1	—	615.4	299.9	994.2	44.0	1,454.7	—	1,498.7	1.9	30.6	7.0	3.0	42.5
1956 June 29	124.8	2,835.4	2,960.2	113.3	—	1,135.7	430.3	1,679.3	68.0	1,154.0	—	1,222.0	1.9	44.1	10.1	3.0	59.0
1957 June 28	116.8	3,201.7	3,318.5	113.3	—	860.5	430.2	1,404.1	56.2	1,799.2	—	1,855.4	1.9	44.1	10.1	3.0	59.0
1958 June 27	92.2	3,373.3	3,465.6	114.7	—	627.3	430.2	1,172.2	41.9	2,192.4	—	2,234.3	1.9	44.1	10.1	3.0	59.0
1959 June 26	101.6	3,411.0	3,512.5	233.8	—	581.2	430.2	1,245.1	45.2	2,163.2	—	2,208.4	1.9	44.1	10.1	3.0	59.0
1960 June 24	113.1	3,566.0	3,679.1	246.7	—	706.6	430.2	1,383.5	39.8	2,196.8	—	2,236.6	1.9	44.1	10.1	3.0	59.0
1961 June 30	159.2	3,609.3	3,768.4	249.4	—	809.5	430.2	1,489.1	36.4	2,184.0	—	2,220.4	1.9	44.1	10.1	3.0	59.0
1962 June 29	148.1	3,645.1	3,793.2	250.0	—	659.8	430.2	1,340.0	40.5	2,353.7	—	2,394.2	1.9	44.1	10.1	3.0	59.0
1963 June 28	145.6	3,952.7	4,098.3	250.0	—	724.0	430.2	1,404.2	75.7	2,559.4	—	2,635.1	1.9	44.1	10.1	3.0	59.0
1964 June 26	129.7	4,443.7	4,573.4	251.6	—	786.2	430.2	1,468.0	49.2	2,997.3	—	3,046.5	1.9	44.1	10.1	3.0	59.0
1965 June 25	142.5	4,816.9	4,959.4	251.6	—	776.0	430.2	1,457.8	135.1	3,132.4	175.0	3,442.5	1.9	44.1	10.1	3.0	59.0
1966 June 24	142.5	5,745.9	5,888.4	252.3	—	907.7	430.2	1,590.2	133.4	3,808.9	296.9	4,239.2	1.9	44.1	10.1	3.0	59.0
1967 June 30	137.0	5,618.1	5,755.1	252.3	—	566.3	273.2	1,091.8	120.0	4,489.0	—	4,609.0	1.9	44.1	6.4	1.9	54.2
1968 June 28	125.6	5,754.4	5,880.0	254.5	—	604.0	273.2	1,131.7	102.8	4,197.6	400.0	4,700.4	1.9	37.8	6.4	1.9	48.0
1969 June 27	135.3	6,629.3	6,764.6	254.5	—	960.3	273.2	1,488.0	87.4	4,456.9	684.3	5,228.6	1.9	37.8	6.4	1.9	48.0
1970 June 26	198.1	6,950.2	7,148.3	254.5	—	829.6	273.2	1,357.3	71.1	5,265.8	406.1	5,743.0	1.9	37.8	6.4	1.9	48.0
1971 June 25	99.4	9,392.7	9,492.1	258.2	71.5	635.8	273.2	1,238.7	61.2	7,449.6	694.6	8,205.5	1.9	37.8	6.4	1.9	48.0
1972 June 30	97.4	8,008.2	8,105.5	649.8	447.6	1,492.7	650.0	3,240.1	116.4	4,236.0	384.6	4,737.0	14.0	94.7	15.2	4.5	128.5
1973 June 29	198.2	10,214.4	10,412.5	649.8	307.8	2,403.5	650.0	4,011.1	133.4	5,755.0	384.6	6,273.0	14.0	94.7	15.2	4.5	128.5
1974 June 28	238.8	10,307.3	10,546.1	649.8	296.7	2,417.6	650.0	4,014.1	72.6	5,962.7	384.6	6,419.9	14.0	78.3	15.2	4.5	112.1
1975 June 27	331.7	11,310.4	11,642.1	649.8	168.0	2,957.6	650.0	4,425.4	35.8	6,686.6	384.6	7,107.0	14.0	76.0	15.2	4.5	109.8
1976 June 25	300.1	13,007.9	13,308.0	662.3	563.1	4,409.1	535.2	6,169.7	80.0	6,571.5	384.6	7,036.0	13.0	71.2	12.6	4.5	102.2
1977 June 30*	220.3	16,537.6	16,757.9	662.2	476.7	2,456.9	480.3	4,076.1	132.2	12,385.2	78.5	12,595.9	14.0	56.3	11.3	4.5	86.0
1978 June 29*	370.4	19,234.7	19,605.1	3,071.4	237.7	5,776.3	480.3	9,565.6	137.3	9,690.4	78.5	9,906.3	61.2	56.3	11.3	4.5	133.2
1979 June 28*	290.6	24,959.3	25,249.9	4,715.6	560.4	1,868.3	495.2	7,639.5	111.4	17,252.2	78.5	17,442.2	91.3	60.9	11.6	4.5	168.2
1980 June 26*	371.6	28,801.0	29,172.6	9,462.2	—	4,203.5	524.4	14,190.1	162.0	14,476.2	78.5	14,716.8	178.0	70.9	12.3	4.5	265.7
1981 June 25*	366.4	36,191.6	36,558.0	11,675.1	—	7,067.1	543.9	19,286.1	119.5	16,762.2	78.5	16,960.2	217.3	77.2	12.8	4.5	311.7

*As on last Thursday of the month.

Note.—Total might exhibit a slight difference due to rounding off.

TABLE 9.2

LIABILITIES AND ASSETS OF THE BANKING DEPARTMENT

(Million Rs.)

Year (Last Friday)	Liabilities: Deposits: Central Government	Liabilities: Deposits: Provincial Governments	Liabilities: Deposits: Banks	Liabilities: Deposits: Total (a)	Total Liabilities or Assets (b)	Assets (c): Notes	Assets (c): Government Debtor balances	Assets (c): Loans and advances	Assets (c): Investments	Assets (c): Other Assets
1	2	3	4	5	6	7	8	9	10	11
1948 July 2 ..	666 .3	59 .8	251 .3	1,008 .0	1,031 .3	21 .9	—	0 .3	—	9 .9
1949 June 24 ..	772 .3	47 .6	217 .3	1,072 .0	1,165 .9	57 .6	—	0 .6	145 .3	10 .4
1950 June 30 ..	515 .8	43 .9	149 .3	745 .8	834 .9	50 .6	—	0 .1	181 .3	188 .2
1951 June 28 ..	775 .2	21 .7	189 .0	1,088 .7	1,147 .6	55 .4	—	3 .6	303 .1	70 .6
1952 June 27 ..	441 .7	2 .4	109 .3	594 .5	696 .6	61 .4	—	134 .6	291 .0	113 .3
1953 June 26 ..	371 .2	6 .2	146 .3	548 .2	682 .6	103 .8	84 .3	42 .5	335 .6	97 .0
1954 June 25 ..	172 .2	27 .3	163 .9	386 .9	501 .9	123 .8	22 .1	83 .5	170 .7	101 .8
1955 June 24 ..	107 .3	64 .2	194 .1	403 .6	511 .4	118 .9	21 .5	56 .8	216 .4	96 .1
1956 June 29 ..	250 .5	82 .3	274 .9	706 .3	853 .7	124 .8	—	29 .8	537 .7	160 .9
1957 June 28 ..	622 .8	50 .6	161 .0	927 .4	1,129 .7	116 .8	—	94 .0	809 .7	108 .6
1958 June 27 ..	817 .1	50.8	208 .9	1,076 .8	1,263 .9	92 .2	41 .7	110 .4	688 .4	97 .1
1959 June 26 ..	829 .2	16 .8	261 .5	1,156 .2	1,361 .2	101 .6	—	105 .1	767 .1	96 .4
1960 June 24 ..	114 .8	9 .2	194 .3	1,196 .1	1,427 .0	113 .1	8 .9	159 .7	693 .0	105 .3
1961 June 30 ..	62 .3	7 .4	195 .7	1,468 .2	1,725 .1	159 .2	—	496 .7	886 .6	109 .8
1962 June 29 ..	210 .8	48 .6	230 .5	1,479 .4	1,800 .9	148 .1	—	541 .0	690 .1	126 .3

1		2	3	4	5	6	7	8	9	10	11
1963 June 28	..	159 .6	7 .5	305 .7	1,645 .7	1,978 .7	145 .6	—	496 .6	682 .4	136 .3
1964 June 26	..	305 .7	5 .0	384 .0	1,540 .4	1,891 .0	129 .7	54 .2	893 .9	432 .0	143 .3
1965 June 25	..	271 .4	5 .0	583 .6	1,984 .0	2,436 .9	142 .5	32 .7	1,671 .6	368 .8	163 .4
1966 June 24	..	240 .6	—	490 .7	1,912 .3	2,438 .2	142 .5	109 .7	735 .5	807 .2	185 .3
1967 June 30	..	199 .2	21 .7	758 .6	2,172 .6	2,777 .7	137 .0	7 .0	1,344 .9	349 .9	266 .5
1968 June 28	..	70 .0	—	687 .0	2,237 .7	2,941 .9	125 .6	98 .9	749 .3	706 .6	318 .1
1969 June 27	..	272 .7	—	758 .1	2,461 .0	3,178 .7	135 .3	485 .5	648 .6	621 .9	333 .9
1970 June 26	..	386 .4	199 .8	865 .6	2,842 .7	3,827 .2	198 .1	—	718 .9	1,632 .9	354 .4
1971 June 25	..	187 .1	94 .3	831 .9	2,571 .8	3,668 .9	99 .4	16 .9	2,149 .7	238 .0	454 .2
1972 June 30	..	543 .9	92 .9	1,333 .7	3,098 .6	7,790 .7	97 .4	235 .7	1,063 .3	4,456 .2	768 .2
1973 June 29	..	621 .5	102 .2	1,589 .4	5,129 .6	7,588 .8	198 .2	337 .8	1,249 .1	2,548 .5	1,174 .2
1974 June 28	..	75 .6	126 .7	1,424 .0	6,148 .4	8,513 .9	238 .8	359 .4	3,429 .3	2,108 .8	573 .3
1975 June 27	..	274 .5	30 .0	1,874 .3	8,577 .8	12,257 .9	331 .7	123 .7	5,104 .5	2,105 .1	2,307 .0
1976 June 25	..	462 .9	74 .7	2,252 .1	10,060 .0	14,696 .8	300 .1	102 .0	4,924 .0	5,506 .8	2,299 .1
1977 June 30*	..	36 .2	61 .5	2,777 .3	10,796 .0	16,240 .2	220 .3	130 .9	7,886 .0	3,343 .5	2,638 .6
1978 June 29*	..	72 .3	15 .2	3,467 .2	11,468 .9	19,735 .1	370 .4	580 .9	7,510 .0	6,629 .9	2,274 .2
1979 June 28*	..	1,163 .5	89 .7	4,371 .1	12,989 .4	24,296 .5	290 .6	31 .8	10,038 .8	7,353 .3	2,086 .0
1980 June 26*	..	77 .1	278 .8	4,747 .3	13,828 .9	31,654 .8	371 .6	24 .3	11,754 .7	9,266 .2	2, 313 .2
1981 June 25*	..	2,873 .0	947 .7	4,539 .2	20,534 .6	42,277 .9	366 .4	—	16,465 .1	10,331 .1	3,350 .6

(*a*) Includes some other deposits.
(*b*) Bills payable and other liabilities not shown separately.
(*c*) Coins and Government treasury bills and balances held outside Pakistan not shown separately.
Note.—Data pertaining to the period prior to 1975 includes also position of former East Pakistan.
*As on last Thursday of the month.

TABLE 9.3

MANDATORY CREDIT TARGETS FOR COMMERCIAL BANKS AND ACHIEVEMENTS

(Million Rs.)

Year	Loans for Tractors, Tubewells and Land improvement, etc. (Net)		Small Loans							
			Agricultural production*		Housing (Net)		Business & Industry (Net)			
	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
1972-73	20	12	80	57	90	74	266	419		
1973-74	50	20	250	99	50	113	450	73		
1974-75 †	120	44	300	206	80	191	670	581		
1975-76	85	107	520	604	60	248	690	922		
1976-77	130	121	560	651	100	144	850	782		
1977-78	160	209	720	851	110	149	850	1001		
1978-79	160	174	650	827	150	206	930	816		
							Target	Actual	Target	Actual
1979-80	323	229	637	797	110	193	212	529	730	895
	Agriculture (including small loans for agricultural Production)**		Small Loans							
			Agricultural Production**		Loans for Tobacco Production/Marketing		Business (Net)		Industry (Net)	
1980-81	2072	1,816	813	905	—	—	276	197	960	808
1981-82	2291	—	894	—	242	—	288	—	1773	—

* Figures in respect of small loans for agriculture sector are on net increase basis for 1972-73 and on disbusrsement basis for 1975-76 onwards.

† Covers the period 6th July 1974- 27th June 1975.

** For the first time, the entire estimated amount of agricultural credit to be provided by commercial banks was given to them as a mandatory target in 1980-81. Within this, sub-target for small loans for agricultural production was made mandatory. This practice continued in 1981-82 also.

TABLE 9.4

CONSOLIDATED POSITION OF SCHEDULED BANKS

(Million Rs.)

Year (Last Friday)	No. of Reporting branches	Liabilities			Assets				Bank Credits		Reserves	
		Total @ Demand Liabilities	Total @ Time Liabilities	Borrowing From SBP	Cash in Pakistan	Balance with SBP & other banks	Call Money	Investment	Advances	Bills Purchased and Discouted	Total Statutory Reserves	Excess Reerves
1	2	3	4	5	6	7	8	9	10	11	12	13
1948 July 2 ..	195	764 .3	134 .1	—	41 .4	221 .9	—	—	192 .4	5 .4	40 .9	181 .0
1949 June 24 ..	218	906 .2	135 .1	—	36 .3	202 .5	—	—	386 .5	27 .1	49 .0	153 .5
1950 June 30 ..	202	1,019 .3	201 .4	—	47 .1	132 .2	—	—	464 .4	26 .1	55 .2	77 .2
1951 June 28 ..	201	1,111 .6	281 .2	—	53 .4	172 .8	—	—	448 .7	101 .6	61 .2	111 .6
1952 June 27 ..	212	1,147 .0	248 .6	—	57 .4	102 .6	—	—	715 .6	64 .5	62 .3	40 .2
1953 June 26 ..	218	1,211 .2	319 .9	—	49 .2	132 .5	—	—	541 .4	114 .3	67 .0	65 .5
1954 June 25 ..	246	1,262 .2	459 .2	14 .1	44 .0	179 .9	32 .7	671 .1	661 .2	127 .7	72 .3	70 .5
1955 June 24	251	1,356 .6	562 .5	9 .8	47 .7	230 .1	67 .0	726 .2	746 .9	137 .2	79 .1	108 .6
1956 June 29 ..	261	1,507 .7	609 .0	28 .3	49 .5	310 .4	54 .9	820 .3	803 5	112 .2	87 .7	176 .6
1957 June 28 ..	275	1,626 .5	619 .3	93 .0	53 .3	191 .0	104 .4	826 .9	1,028 .1	104 .6	93 .7	47 .7
1958 June 27 ..	307	1,839 .3	748 .5	38 .7	51 .7	242 .3	116 .3	1,010 .1	1,116 .2	109 .3	107 .0	86 .8
1959 June 26 ..	369	1,989 .8	821 .0	9 .9	69 .3	304 .7	79 .1	1,124 .9	1,138 .0	164 .0	115 .9	137 .0
1960 June 24 ..	430	2,233 .3	1,002 .9	6 .1	81 .8	224 .9	133 .3	1,231 .2	1,488 .2	161 .6	131 .8	40 .8
1961 June 30 ..	580	2,144 .3	1,331 .7	337 .6	83 .0	238 .1	151 .7	1,312 .1	2,030 .1	172 .1	133 .8	50 .2

TABLE 9.4—*contd*,

1	2	3	4	5	6	7	8	9	10	11	12	13
1962 June 29 ..	713	2,440 .8	1,631 .4	403 .2	95 .2	268 .2	254 .8	1,319 .9	2,633 .5	228 .0	155 .0	52 .2
1963 June 28 ..	957	3,076 .4	2,112 .2	385 .8	129 .8	343 .5	334 .6	1,394 .9	3,372 .2	297 .8	196 .0	66 .5
1964 June 26 ..	1,298	3,613 .6	2,562 .0	783 .0	149 .4	419 .8	320 .0	1,528 .1	4,439 .5	351 .8	308 .8	50 .8
1965 June 25 ..	1,591	3,921 .9	3,305 .9	1,688 .2	166 .1	604 .3	208 .5	1,874 .8	5,979 .5	408 .2	542 .0	32 .0
1966 June 24 ..	1,967	4,531 .1	4,259 .2	1,012 .0	230 .1	574 .6	355 .0	2,241 .1	6,364 .4	330 .8	439 .9	50 .5
1967 June 29 ..	2,285	5,179 .4	5,235 .0	1,784 .1	350 .9	821 .9	392 .5	2,528 .9	8,250 .5*	410 .0	650 .9	58 .9
1968 June 28 ..	2,536	5,397 .2	5,995 .6	1,698 .0	310 .5	688 .8	349 .4	2,782 .0	9,322 .9*	471 .0	569 .7	34 .0
1969 June 27 ..	2,842	5,814 .5	6,374 .3	1,610 .1	313 .8	714 .7	388 .0	3,314 .4	9,572 .6*	592 .7	609 .4	39 .9
1970 June 26 ..	3,170	6,704 .8	7,278 .6	1,402 .6	351 .8	854 .4	490 .0	3,485 .1	10,654 .3*	652 .4	699 .1	66 .5
1971 June 25 ..	3,418	7,475 .2	6,903 .8	2,872 .0	657 .7	751 .4	470 .5	3,774 .8	11,606 .3*	663 .8	719 .0	(—)66 .6
1972 June 30 ..	3,714	10,519 .5	7,978 .9	1,502 .6	498 .1	1,270 .3	536 .5	5,267 .3	12,935 .0*	991 .4	924 .9	178 .6
1973 June 29 ..	4,272	12,548 .6	9,817 .4	1,541 .6	576 .7	1,484 .5	597 .1	6,778 .6	15,098 .4*	1,383 .3	1,118 .3	159 .5
1974 July 5 ..	3,741	11,871 .0	8,673 .1	3,665 .1	590 .5	1,321 .9	360 .5	6,211 .5	14,912 .2*	1,852 .3	1,027 .2	121 .6
1974 June 28** ..	3,741	13,537 .3	9,750 .4	3,987 .6	729 .1	1,508 .0	493 .1	6,186 .4	17,648 .3*	1,820 .2	1,164 .4	94 .4
1975 June 27 ..	4,864	14,211 .0	11,523 .3	5,707 .1	833 .0	1,818 .6	230 .9	7,231 .5	19,908 .3*	2,557 .5	1,286 .7	376 .6
1976 June 25 ..	5,462	17,549 .5	15,233 .5	4,844 .0	1,012 .3	2,445 .6	503 .6	8,881 .3	23,914 .2*	1,944 .9	1,639 .1	535 .2

TABLE 9.4—*contd*,

1	2	3	4	5	6	7	8	9	10	11	12	13
(Last Thursday)												
1977 June 30 ..	6,339	22,531 .2	18,394 .0	6,823 .0	1,679 .2	3,021 .5	358 .8	12,559 .4	28,754 .4	2,650 .3	2,046 .3	692 .8
1978 June 29 ..	6,760	22,119 .2	23,204 .8	5,419 .2	1,654 .4	3,479 .4	290 .0	17,552 .9	31,617 .8	3,087 .2	2,516 .2	474 .5
1979 June 28 ..	6,956	31,795 .0	26,516 .5	7,773 .8	1,943 .2	4,701 .2	441 .2	19,150 .8	37,866 .6	4,292 .4	2,915 .5	1,429 .0
1980 June 25 ..	7,143	36,396 .8	32,043 .0	8,709 .2	1,871 .0	5,170 .8	734 .8	23,515 .6	45 .277,8	3,314 .4	3,421 .9	1,381 .4
1981 June 25 ..	7,183	42,202 .7	34,199 .5	13,582 .6	1,945 .6	4,994 .1	937 .5	26,649 .2	53 .940 .0	3,861 .3	3,820 .1	744 .1

$ Balances with other Banks started from January, 1954.

* Includes Foreign currency loans of ADBP and IDBP.

** Excludes the position of Eastern Mercantile Bank, Eastern Banking Corporation in former East Pakistan after their merger with the National Bank of Pakistan from 1st January, 1974 and the Union Bank with United Bank from February 8, 1974.

@ Including inter-bank items.

Note.—Data pertaining to the period prior to 5th July, 1974 includes position of the former East Pakistan.

TABLE 9.5

ADVANCES CLASSIFIED BY ECONOMIC GROUPS—ALL BANKS AS ON 30TH JUNE

(Million Rs.)

	1972		1973		1974		1975		1976		1977		December, 1977		1978		1979		1980	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Agriculture, Forestry, Hunting and Fishing	1,156.8	9.30	1,377.3	9.44	2,227.0	11.61	2,322.9	11.10	3,755.2	15.06	4,632.5	15.82	4,280.0	13.25	4,635.8	14.12	5,300.7	13.32	5,625.6	12.25
Mining and Quarrying	62.5	0.50	58.3	0.40	122.1	0.64	201.3	0.96	189.6	0.76	381.9	1.30	283.1	0.88	252.1	0.77	321.3	0.81	208.7	0.45
Manufacturing	6,124.3	49.26	6,971.4	47.76	8,380.6	43.70	8,519.0	40.71	10,131.3	40.62	12,576.9	42.95	14,314.2	44.33	13,515.6	41.16	16,267.1	40.92	17,213.8	37.49
Construction	149.9	1.21	180.3	1.24	208.9	1.09	333.7	1.59	468.5	1.88	698.7	2.39	1,189.1	3.68	912.2	2.78	773.4	1.95	1,121.8	2.44
Electricity, Gas, Water and Sanitary Services	68.6	0.55	30.4	0.21	31.1	0.16	126.9	0.61	141.8	0.57	101.3	0.35	178.1	0.55	191.1	0.58	257.1	0.65	256.3	0.56
Commerce	3,182.8	25.60	3,886.6	26.62	5,488.4	28.62	6,348.8	30.34	5,854.6	23.48	6,146.1	20.99	7,188.1	22.26	7,889.1	24.03	9,927.6	25.00	10,662.4	23.22
Transport, Storage and Communication	305.3	2.46	364.5	2.50	464.9	2.42	248.5	1.19	299.6	1.20	391.4	1.34	352.6	1.09	358.7	1.09	410.3	1.03	909.3	1.98
Services	924.8	7.44	993.9	6.81	1,269.8	6.62	1,801.6	8.61	2,730.9	10.95	2,633.6	8.99	2,394.1	7.41	2,876.8	8.76	3,352.5	8.43	5,643.5	12.29
Employees and Activities not adequately described	457.6	3.68	734.8	5.03	986.8	5.15	1,024.6	4.90	1,367.6	5.48	1,720.3	5.87	2,113.5	6.54	2,203.4	6.71	3,147.0	7.92	4,277.4	9.32
Total ..	12,432.8	100.00	14,597.5	100.00	19,179.4	100.00	20,927.4	100.00	24,939.0	100.00	29,282.7	100.00	32,292.9	100.00	32,834.8	100.00	39,757.0	100.00	45,918.9	100.00

Note.—Figures upto 30th June, 1974 are inclusive of data of former East Pakistan.

TABLE 9 ○

MONETARY ASSETS*

(S.B.P. Basis)

(Million Rupees)

Year last Friday	Currency in Circulation	Demand Liabilities (excluding inter-bank items)	Time Liabilities (excluding Inter-bank items)	Other Deposits with S.B.P.**	Deposit of Non-scheduled and Co-operative banks with S.B.P.	Post Office Savings Bank Deposits	Monetary Assets
1	2	3	4	5	6	7	8
1948 December	1,707 .9	891 .7	164 .9	35 .3	9 .8	N.A.	2,809 .6
1949 December	1,739 .4	886 .3	205 .4	44 .5	8 .2	N.A.	2,883 .8
1950 December	1,991 .9	907 .2	227 .6	23 .8	7 .2	278 .8	3,436 .5
1951 June	2,027 .2	1,098 .2	227 .3	30 .3	16 .2	288 .7	3,737 .9
1952 June	2,235 .8	1,045 .2	242 .8	29 .3	6 .7	291 .5	3,851 .3
1953 June	2,235 .6	1,118 .1	303 .8	17 .4	13 .8	300 .9	3,989 .6
1954 June	2,415 .2	1,201 .8	433 .1	20 .1	21 .1	316 .9	4,408 .2
1955 June	2,600 .3	1,270 .2	519 .4	29 .5	6 .3	347 .8	4,773 .5
1956 June	3,049 .6	1,431 .2	563 .8	72 .6	10 .6	401 .7	5,529 .5
1957 June	3,429 .0	1,490 .1	568 .6	85 .8	19 .6	443 .7	6,036 .8
1958 June	3,623 .6	1,689 .2	700 .2	42 .3	15 .1	490 .0	6,560 .4
1959 June	3,643 .1	1,869 .6	753 .4	38 .8	8 .6	485 .7	6,799 .2

TABLE 9.6—*contd,*

*1			2	3	4	5	6	7	8
1960 June	..	..	3,811.9	1,997.1	946.0	37.3	14.2	493.1	7,299.6
1961 June	..	..	3,842.6	1,990.7	1,227.5	37.0	11.7	493.1	7,602,6
1962 June	..	..	3,865.4	2,190.1	1,507.1	40.4	23.3	493.5	8,119.8
1963 June	..	..	4,157.2	2,779.8	1,935.2	39.2	43.2	519.8	9,474.4
1964 June	..	..	4,661.2	3,274.0	2,432.1	43.4	24.4	554.7	10,989.8
1965 June	..	..	5,037.3	3,655.1	3,227.7	53.8	9.6	586.3	12,569.8
1966 June	..	..	5,935.4	3.949.4	4,038.6	81.2	14.8	590.1	14,609.5
1967 June	..	..	5,681.7	4,689.6	5,140.0	122.0	38.8	612.9	16,285.0
1968 June	..	..	5,885.4	4,899.2	5,933.0	67.7	83.3	613.7	17,482.3
1969 June	..	..	6,783.4	5,254.2	6,200.7	210.4	108.8	634.0	19,191.5
1970 June	..	..	7,095.0	6,032.1	7,114.8	198.5	100.0	694.0	21,234.4
1971 June@	..	..	8,156.7	6,759.2	6,788.4	208.7	179.5	883.0	22,975.5

*The time series on monetary assets upto June, 1971 is on S.B.P. basis. The series relating to subsequent years from June, 1972 onwards as given in table 9.6(a) has, however, been revised as per I.M.F. basis and is not comparable with the data prior to June, 1972.

@ Adjusted for demonetization operation and unrecovered currency notes which are no longer legal tender.

* Excluding I.M.F. A/c. No. 1, Counterpart Funds, US Disbursing Officer's A/c. and other loan accounts.

TABLE 9.6 (a)

MONETARY ASSETS*

(I.M.F. Basis)

(Million Rupees)

Year/Month$	Currency in circulation	Scheduled banks demand deposits‡	Scheduled banks time deposits‡	Other deposits with‡† S.B.P.	Total Monetary Assets) (2+3+4+5)
1	2	3	4	5	6
June 1972**	5,173	8,824	6,929	1,133	22,059
June 1973**	7,286	10,264	9,022	496	27,068
June 1974£	9,307	11,455	9,134	795	30,691
5th July, 1974	9,603	9,789	7,832	776	28,000
June 1975	10,273	12,051	10,419	331	33,074
June, 1976	12,603	14,868	13,970	210	41,651
June 1977	15,523	19,506	16,519	225	51,773
June 1978	18,310	23,602	21,470	281	63,663
June 1979	23,482	27,677	24,655	352	76,526
June 1980	27,826	32,148	30,315	399	90,688
June 1981	35,408	36,772	31,263	554	103,997

* As from June, 1972 the series has been revised as per IMF basis and hence is not comparable with the data prior to June, 1972 as given in table 9.6

**Adjusted for demonetisation and unrecovered currency notes which are no longer legal tender.

£Adjusted for former East Pakistan portion of assets and liabilities of Eastern Banking Corporation, Eastern Merchntile Bank and Union Bank Ltd, whose reporting in the Press Communigue was discontinued since 8th February, 1974, so as to make the data comparable with those in earlier periods.

‡ Excluding inter-bank deposits and deposits of central and provincial governments and foreign constituents.

††Excluding counterpart funds, deposits of foreign central banks, foreign Governments and and international organisations.

$Last Friday upto June, 1976 and last Thursday thereafter.

p=Provisional.

Notes : (i) Figures might exhibit slight differences due to rounding off.

(ii) Beginning with the fiscal year 1974-75, the assets and liabilities of State Bank of Pakistan and scheduled banks pertaining to their branches in former East Pakistan were excluded from the specific items and the net position added to the "other assets" or "other liabilities" as the case may be. The data for the period subsequent to June, 1974 are, therefore, not comparable with those for the earlier periods.

10

INVESTMENT AND CAPITAL MARKET

The year 1980-81 witnessed expansion in investment and significant improvement in almost all performance indicators of share market. The total gross fixed investment increased by 11.6 per cent with 13.6 per cent rise in private sector investment and 10.7 per cent in public sector investment. Loans sanctioned by NDFC, and PICIC, IDBP and Bankers Equit Limited have also increased. Other financial institutions like ICP, NIT, showed better performance. The general index of share prices recorded an increase of 32.71 points in June 1981 over a year.

2. In an endeavaur to Islamise the economy, the operations of the banking and financial institutions were partly made interest free. Interest has been eliminated from the operations of House Building Finance Corporaton (HBFC),National Investment (Unit) Trust (NIT) and Investment Corporation of Pakistan (ICP).Interest free counter has been opened in all commercial banks and profit and loss sharing (PLS) deposit scheme has been introduced. Bankers Equity Limited (BEL) which has been established to accelerate industrial investment in private sector and the capital market has also been registered as the first Modaba Company and had floated its first Modarba Certificate of 1.50 million on September 7, 1981.

Investment :

3. The total gross fixed investment is estimated at Rs. 43,829 million for 1980-81, as against Rs. 39,275 million for 1979-80, showing a rise of 11.6 per cent. Out of this, Rs. 9,808 million was invested in the industrial sector, Rs. 2,757 million in agriculture and Rs. 31,264 million in other sectors.

4. The public sector investment is estimated at Rs. 29, 694 millionfor 1980-81 as against Rs. 26,834 million for 979-80, showing an increase of 10.7 per cent. Out of this, Rs. 6,000 million and Rs. 23,694 million were respectively invested in the industrial and other sectors which depicted a decline of 9.0 per cent and a rise of 17.1 per cent respectively over the level of 1979-80.

5. Investment in the private sector has been estimated at Rs. 14,135 million for 1980-81 as compared to Rs. 12,441 million during 1979-80, recording an increase of 13.6 per cent. The private sector industrial investment rose by 27.1 per cent over the level of 1979-80 and agricultural investment showed an increase of 11.8 per cent. However, the other sector showed a rise of 8.5 per cent over the preceding year.

Fiscal and Monetary Measures :

6. Some more tax incentives were provided by the Government to boost the investment climate in the country during 1981-82. Most important of them are given under different heads of taxes.

Customs Duty :

(*i*) Duty on handling equipment for containers required at SEA ports has been reduced from rates ranging from 40 per cent to 85 per cent to a uniform rate of 20 per cent with no sales tax.

(*ii*) Export rebate rate on art-silk fabrics has been reduced from 42 per cent to 32 per cent and on dyed and printed variety from 45 per cent to 35 per cent.

(*iii*) Compensatory rebate of 12-1/2 per cent has been allowed on export of hand-knitted woollen carpets and leather goods.

(*iv*) BMR import of machinery by marble industry has been allowed duty free concession.

(*v*) Import by Gemstone Corporation for machinery required for cutting and polishing of gemstones has been allowed duty free concession.

(*vi*) Baggage rules for non-tourist have been revised to allow duty-free concession to Radio-*cum*-tape recorder import in baggage and to subject baggage import of washing machine and gas applicances to 125 per cent.

(*vii*) Panel charges on the goods which remain warehoused over one year, has been revised from 8 per cent per annum to 2 per cent per month.

2. *Central Excixe*

(*i*) Tyres and tubes for motor cycles, scooters and auto-rickshaws have been exempted from Central Excise duty and sales tax.

(*ii*) Exemption to metal container meant for packing of vegetable ghee and kerosene oil has been rationalized. Now, the said exemption will be available to the manufacture of vegetable ghee and kerosene oil in all circumstances.

3. *Sales Tax* :

(*i*) The standard rate of sales tax on domestically produced goods has been reduced from 20 per cent to 12.5 per cent. Consequently all rates above 12.5 per cent *viz.* 15 per cent, 20 per cent, 25 per cent and 30 per cent have been abolished.

(*ii*) No. sales tax would be levied on locally produced nuts, bolts and screws, including wood screws.

(*iii*) Sales-tax on low priced footwear has been removed. Now sales-tax will be levied at the new rate of 12.5 per cent on all types of footwear whose retail price is more than Rs. 25 per pair.

4. *Income Tax* :

(*i*) Tax relief to non-salaried persons in small income brackets has been provided.

(*ii*) The monetary limit of investment for the purpose of tax rebate has been raised from Rs. 40,000 to Rs. 45,000.

(*iii*) The rate of surcharge on companies has been reduced from 10 per cent to 5 per cent.

(*iv*) Rate of initial depreciation on plant and machinery has been raised from 25 per cent to 40 per cent.

(*v*) In case of assets used in the exploration and extraction of petroleum when exported out of the country only initial depreciation shall be charged to tax.

(*vi*) Income-tax rebate shall be allowed on investment made in purchase of Modarba Certificate.

(*vii*) Investment in participation term certificate shall be eligible for purposes of investment allowance subject to the monetary and holding period limit.

(*viii*) Income derived from modarba has been exempted singularly or in aggregate with other dividend upt o Rs. 15,000.

Capital Market :

7. The general index of share prices which stood at 169.31 in the last week of June, 1980 increased to 193.40 in the last week of June, 1981, thus showing a rise of 24.09 points.

8. The turnover of shares increased from 2.05 million in June, 1980 to 3.43 million shares in June, 1981 thus showing a rise of 1.38 million shares.

9. The sectoral break down of the share price index for the year 1980 reveals that all sectors have recorded a rising tendency except transport and communication which declined by 17.54 points and others sub-group in construction and engineering by 11.76 points. The highest increase took place in Jute (115.15) points followed by paper and board (48.5) point and miscellaneous group by 30.52 and 30.47 point in construction and engineering group.

10. Similarly the sectoral breakdown for the same period for aggregate market capitalisation of ordinary shares showed a decline in fuel and power (150.3 million), transport & communication (107.8 million), construction and engineering sub-group other (34.5) million. The highest increase took place in jute (72.1 million), cement (34.8 million) sub-group other textiles (29.3 million) and paper and board (28.2 million) The month-wise performance of stock market is analysed in the following paragraphs.

11. The General Index of share prices recorded a mixed monthly trend during the fiscal year 1980-81. The index stood at 169.31 at the end of June 1980 and touched a peak in May, 1981 at 193.40 points The aggregate market capitalisation of ordinary shares also showed a trend similar to that of general index of share prices. It touched a peak at Rs. 6714.0 million in August, 1980 and the lowest level at Rs. 6343.1 million in April, 1981. The turnover of shares recorded a peak in May, 1981 when it stood at 4.6 million shares and the lowest level was in October, 1980, when it stood at 1.22 million shares.

12. The month-wise performance of general index of share prices, aggregate market capitalisation of all ordinary shares and volume of turnover of shares for the period July-June 1980-81 and July-June 1979-80 are given in Annexure 'A'

13. The group-wise share prices and aggregate market capitalisation of all ordinary shares for the month of June, 1980 and June, 1981 are given in Annexure 'B' and 'C'.

INVESTMENT CORPORATION OF PAKISTAN (I.C.P.)

Underwriting and Debenture Financing :

14. During 1980-81, the Corporation approved 54 applications seeking financial assistance of Rs. 872.6 million compared with the approval of 79 applications for financial assistance of Rs. 784.3 million or a rise of 11.3 per cent. ICP alongwith its consortium members disbursed financial assistance totalling to Rs. 909.3 million during 1980-81 as compared to the aggregate of Rs. 559.4 million disbursed during the last year, recording an increase of Rs. 349.9 million or 62.5 per cent.

Mutual Funds :

15. The Corporation has so far floated 12 mutual funds to the investing public and has thus succeeded in mobilising the savings to the tune of Rs. 130 million. During 1980-81 the corporation has declared dividend on Twelve Mutual Funds, ranging between 11.5 per cent to 20 per cent as compared to 12.5 per cent to 20 per cent in the preceding year.

16. The Corporation has initiated steps to follow the government's policy of Islamisation. As a first step it has done away, from July 1, 1979, with the investment in the interest-bearing securities. These have been disinvested from the portfolios of ICP Mutual Funds. Interest did, therefore, not form a part of the income of these Funds during 1979-80.

ICP (State Enterprise) Mutual Fund :

17. Under the direction of the Federal Government, the corporation in January, 1980 launched a large size State Enterprise Mutual Fund (SEMF) with the public offering of Rs. 280 million in order to enable the Pakistani nationals residing in as well as outside Pakistan to participate gainfully in the development of their country. The Pakistanis living abroad were given the first preference in the allotment of certificates of SEMF. This fund was subscribed to the tune of Rs. 300 million by the general public and financial institutions. The investment portfolio of SEMF consists of high grade scrips of the selected nationalised/ taken over companies under the State control.

NATIONAL INVESTMENT (UNIT) TRUST

18. The Trust has successfully completed second year of its operations on interest-free basis. Since July 1, 1979 NIT has been making investment on the basis of equity participation only and there has been a continued steady improvement in its operations and income.

19. The income of the Trust during the year 1980-81 amounting to Rs. 118.5 million, is higher by Rs. 15.4 million or 15 per cent as compared to the previous year.

20. NIT's investment amounted to Rs. 109 million in 1980-81 as against Rs. 210 million in 1979-80. As on June 30, 1981 NIT's investment in shares stood at Rs. 1,009 million at cost and Rs. 1,064 million at market value, showing an appreciation of Rs. 55 million.

21. Gross sales of Units during the year 1980-81 aggregated Rs. 213 million. Repurchases of Units of the value of Rs. 189 million, on the other hand, were an all time high and amounted to more than the total repurchases recorded in the previous two years. Consequently the net sales after accounting for the repurchases, during the year stood at Rs. 24 million.

22. NIT has declared dividend for the year ended June 30, 1981 at the rate of Rs. 1.35 per Unit as against Rs. 1.30 per Unit in the previous year. This is the highest dividend ever declared by NIT since its inception.

PAKISTAN INDUSTRIAL CREDIT AND INVESTMENT CORPORATION LIMITED

Sanctions :

23. During the period 1980-81, PICIC sanctioned loans/guarantees/debentures totalling Rs. 341.14 million as compared to loans of Rs. 492.81 million during 1979-80.

24. Out of the total sanctions of Rs. 341.14 million during 1980-81, an amount of Rs. 300.18 million was sanctioned for the establishment of new units and Rs. 40.96 million for balancing modernisation and expansion of the existing units. Comparative figures for 1979-80 were Rs. 492.81 million, Rs. 453.34 million and Rs. 39.47 million respectively.

Disbursements :

25. A sum of Rs. 86.19 million was disbursed during 1980-81 as compared to Rs. 140.93 million during 1979-80.

INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN (IDBP)

Sanctions :

26. Loans sanctioned by IDBP have declined to Rs. 453.30 million in 1980-81 from Rs. 562.37 million in 1979-80, registering a decrease of Rs. 109.07 million or 19.4 per cent.

Disbursements :

27. The disbursement of loans by IDBP rose by Rs. 0.59 million or 0.3 per cent to Rs. 229.64 million during 1980-81 against the disbursement of Rs. 229.05 million in 1979-80.

NATIONAL DEVELOPMENT FINANCE CORPORATION (N.D.F.C.)

Sanctions :

28. N.D.F.C. extend financial assistance to eligible public sector enterprises. The Corporation sanctioned assistance amounting to Rs. 1,292 million in 1980-81, showing a rise of Rs. 47 million or 3.8 per cent over Rs. 1245 million in 1979-80.

Disbursements :

29. The Corporation disbursed loans aggregating Rs. 1,075 million during 1980-81, recording an increase of Rs. 10 million or one per cent over Rs. 1,065 million in 1979-80.

BANKERS EQUITY LIMITED

Sanctions :

30. During the year 1980-81, Bankers Equity Limited approved financial assistance amounting to Rs. 670.36 million for six industrial projects being set-up in the private sector against financial assistance of Rs. 46.5 million in 1979-80.

Disbursements :

31. The disbursements made by Bankers Equity Limited during 1979-80 and 1980-81 amountedto Rs. 61.3 million and Rs. 26.3 million respectively.

CONTROLLER OF CAPITAL ISSUES

32. The issue of capital requires the sanction of the Controller of Capital Issues (CCI) in the Finance Division. The sanctions for the issue of capital accorded by the Controller of Capital Issues registered a rise of Rs. 613.15 million or 15.3 per cent over the level of Rs. 3,997.60 million in 1979-80 to Rs. 4,610.75 million in 1980-81.

SECURITIES & EXCHANGE AUTHORITY OF PAKISTAN (S.E.A.P.)

Regulation of Issuers :

33. All the listed companies numbering 311 are required to furnish their annual and half-yearly accounts to this Authority which are scrutinised and examined in the light of Securities and Exchange Ordinance, 1969 and Securities and Exchange Rules, 1971, to ensure full disclosure of working results for the benefit of shareholders. In this connection 41 show-cause notices were issued for different violations, 38 show-cause notices were issued for violation of Rule 12(6) and penalty was imposed in four cases.

Regulation of Insiders :

34. In connection with the regulation of insiders namely the directors, officers and the shareholders of 10 per cent or more of equity security of listed companies, the department scrutinised 4,970 returns and as a result of scrutiny 280 show cause notices were issued to the defaulting individuals for violation of Securities and Exchange Rules, 1971 and penalties of Rs. 12,400 were imposed in different cases.

CORPORATE LAW AUTHORITY (C.L.A.)

35. In order to bring about a simple and efficient administration of the Corporate Law and ensure a coordinated policy implementation the Federal Government decided to set up a Corporate Law Authority to administer the various laws in the area of corporate regulation.

36. Broadly, the key note of the provision made in the new law is the promotion of a healthy corporate sector to serve the national economy under proper checks and balances and with due regard to investors' interest. The law, therefore, seeks to provide for :—

(*i*) shareholdres supremacy in company matters without putting undue restraints on managements' operational freedom ;

(*ii*) responsible behaviour with greater accountability on the part of company promotors, executives, auditors and liquidators ;

(*iii*) more positive role for judicial and administrative organs for timely cognizance of management excess ; and

(*iv*) adequate disclosure.

37. The main objective is not only to protect the shareholders and creditors and create conditions of confidence in joint stock form of business houses but also to provide for essential operational freedom for honest entrepreneurs to work in a business like atmosphere.

Company Law Administration :

38. The Corporate Sector continued to play a vital role in the country's economy during 1980-81. A total number of 943 new companies were incorporated during the year ended June 30, 1981, as against 1,020 during the year ended June 30, 1980. The total number of Joint Stock Companies registered with the various Companies Registration Office stood at 11,790 during the year ended June 30, 1981 against 10,847 at the end of June 1980.

39. Generally, the incorporated concerns continued their operations in accordance with the provisions of the Companies Act, 1913 and related legislation. In particular, compliance with the provision of the Companies (Managing Agency and Election of Directors) Order, 1972 continued to be ensured and no material infringement was reported. Similarly, the provisions of Companies (Appointment of Legal Adviser's) Act, 1974 which required all companies with paid up capital of five lakh rupees and above to engage a qualified legal adviser at a minimum monthly retainer at Rs. 350 were complied with by a large majority of such companies and compliance remained around 96 per cent.

Annexure 'A'

GENERAL INDEX OF SHARE PRICES, AGGREGATE MARKET CAPITALISATION OF ORDINARY SHARES AND VOLUME OF TURNOVER OF SHARES (AS AT CLOSE OF LAST WEEK OF THE MONTH)

Month/Year	General Index (1969-70=100 (Points)	Increase/ Decrease +/— (Points)	Aggregate Market Capitalisation of ordinary shares (Rs. in million	Increase/ Decrease +/— (Rs. in Million)	Volume of Turnover of shares (In million Nos.)	Increase Decrease/ +/— (In million Nos.)
1	2	3	4	5	6	7
June, 1979	170.90	—	7,476.9	—	3.33	—
July, 1979	171.60	0.70	7,435.5	(—)41.4	2.33	(—)1.00
August, 1979	176.49	4.89	7,528.1	92.6	1.91	(—)0.42
September, 1979	172.31	(—)4.18	7,270.8	—257.3	2.76	0.85
October, 1979	180.33	8.02	7,707.6	436.8	3.56	0.80
November, 1979	184.29	3.96	7,776.1	68.5	4.73	1.17
December, 1979	181.00	—3.29	7,607.9	—168.2	4.01	—0.72
January, 1980	174.85	—6.15	7,246.8	—361.1	3.10	—0.91
February, 1980	177.20	2.35	7,317.5	70.7	3.16	0.06
March, 1980	173.02	—4.18	7,102.3	—215.2	3.18	0.02
April, 1980	166.70	—6.32	6,718.3	—384.0	1.96	—1.22
May, 1980	170.13	3.43	6,770.6	52.3	1.83	—0.13
June, 1980	169.31	—3.71	6,701.2	—401.1	2.05	—1.13
July, 1980	165.52	—3.79	6,551.6	—149.6	1.73	—0.32
August, 1980	171.45	5.93	6,714.1	162.5	1.89	0.16
September, 1980 ..	172.66	1.21	6,668.9	—45.2	2.46	0.57
October, 1980	166.95	—5.71	6,397.5	—271.4	1.22	—1.24
November, 1980 ..	167.04	0.09	6,429.6	32.1	1.54	0.32
December, 1980	168.64	1.60	6,360.9	—68.7	1.66	0.12
January, 1981	179.13	10.49	6,691.6	330.7	3.07	1.41
February, 1981	181.21	2.08	6,677.8	—13.8	2.50	—0.57
March 1981, ...	182.48	1.27	6,478.1	—199.7	2.30	—0.20
April, 1981	182.83	0.34	6,343.1	—135.0	2.94	0.64
May, 1981	193.40	10.58	6,701.0	357.9	4.61	1.67
June, 1981	193.40	—	6,583.0	—118.0	3.43	—1.18

Source ; State Bank of Pakistan.

Annexure "B"

GENERAL INDEX OF SHARE PRICES BY GROUPS (1969-70=100)

(As at close of last week of Month)

Group/Sub-Group	June 1981	June 1980	Change in June 1981 over June 1980
1. Insurance and Finance	344.16	327.21	16.95
2. Jute	828.33	713.18	115.15
3. Cotton and Other Textiles	95.90	89.45	6.45
(*a*) Cotton Textiles	71.77	69.19	2.58
(*b*) Other Textiles	120.02	109.70	10.32
4. Fuel and Power	187.96	172.91	15.05
5. Construction and Engineering	367.64	337.17	30.47
(*a*) Cement	359.49	286.80	72.69
(*b*) Others	375.78	387.54	—11.76
6. Transport and Communication	59.07	76.61	—17.54
7. Paper and Board	215.44	166.94	48.60
8. Tobacco	97.66	92.31	5.35
9. Miscellaneous	197.91	167.39	30.52
(*a*) Chemicals	178.17	162.53	15.64
(*b*) Tea	173.10	131.74	41.36
(*c*) Sugar and Allied Industries	202.02	173.15	28.87
(*d*) Others	283.32	202.13	81.19
General Index Number	193.40	169.31	24.09

Source : State Bank of Pakistan.

Annexure " C "

AGGREGATE MARKET CAPITALISATION OF ORDINARY SHARES BY GROUPS

(As at close of last week of the month)

Group/Sub-Group	June 1981	June 1980	Change in June 1981 over June 1980
1. Insurance and Finance	246 .8	229 .9	16 .9
2. Jute	263 .5	191 .4	72 .1
3. Cotton and Other Textiles	1,050 .2	1,033 .5	16 .7
(*a*) Cotton Textiles	854 .7	867 .3	—12 .6
(*b*) Other Textiles	195 .5	166 .2	29 .3
4. Fuel and Power	1,383 .0	1,533 .3	– 150 .3
5. Construction and Engineering	819 .6	819 .3	0 .3
(*a*) Cement	288 .2	253 .4	34 .8
(*b*) Others	531 .4	565 .9	—34 .5
6. Transport and Communication	300 .3	408 .1	—107 .8
7. Paper and Board	264 .6	236 .4	28 .2
8. Tobacco	216 .6	227 .5	10 .9
9. Miscellaneous	2,038 .4	2,021 .8	16 .6
(*a*) Chemicals	924 .1	939 .5	—15 .4
(*b*) Tea	83 .1	59 .3	23 .8
(*c*) Sugar and Allied Industries	548 .3	508 .0	40 .3
(*d*) Others	482 .9	515 .0	—32 .1
Aggretate Market Capitalization ..	6,583 .0	6,701 .2	—118 .2

Source : State Bank of Pakistan.

11

PRICES

Prices have all along been increasing in the country, though at varying rates during the last thirty-three years. The price rise based on consumer prices remained generally moderate during the first two-five year plan periods at 2.9 per cent per annum. The rate rose to 4.4 per cent per annum during the third plan period. The prices escalated alarmingly in the 70's causing serious concern to policy makers. The inflationary phase of the 70's started with an annual increase of 6.2 per cent in wholesale price index and 5.7 per cent in consumer price index during 1970-71. Since then, prices moved up sharply and the inflation rate touched a peak in 1973-74. The average annual increase during the period from 1972-73 to 1976-77 remained as high as 18.4 per cent in the wholesale price index and 17.5 per cent in the consumer price index. It was during the subsequent four years, 1977-81, that the inflationary tempo slowed down, the annual average increase falling to 8.9 per cent in the wholesale price index and 9.9 per cent in the consumer price index. Comparative position of price indices is given in table 11.1.

2. A host of factors were responsible for the inflationary spiral the economy witnessed during the early and mid-seventies. Socio-economic upheavals in the country, high monetary expansion, war with India in 1971, devaluation of Pak. Rupee in May, 1972 and low level of production initially started the inflationary spiral. The subsequent developments as a result of which prices exacerbated include excessive monetary expansion and depressed level of production.

3. Soon after present Government came into power in July 1977, the rate of inflation started slowing down and touched a level of 6.9 per cent in 1977-78. The improvement in price situation started with the Government's effort to rehabilitate the economy. Notable factors to stabilize prices include supply augmenting policies which have resulted into considerable improvement in domestic commodity production supplementing the domestic level of supply with adequate imports of essential consumer goods, streamlining of production and distribution channels, containing the monetary expansion, establishment of a National Logistics Board for speedy transportation of goods and various administrative measures. Amidst several national and international problems like soaring import prices of POL, raw materials, machinery and equipment and their consequent adverse effect on domestic cost of production and transportation, the Government was able to bring down the annual inflation rate from 17.5 per cent during 1972—77 to 9.9 per cent during 1977—81.

Wholesale Price Index—433 items :

4. The general wholesale price index recorded an increase of 13.3 per cent during 1980-81 as against 9.3 per cent during last year. The index for 'fuel, lighting and lubricants' group (weight 5.71%) recorded major increase of 36.5 per cent. compared to 49.8 per cent during last year. The index for 'food' group (weight 53.49%) rose by 12.5 per cent during the year under review compared to 4.8 per cent during last year. An increase of 9.4 per cent was recorded in the index for 'raw materials' group (weight 13.10%) during 1980-81 compared to that of 3.4 per cent during last year. The index for 'manufactures' group (weight 27.64%) showed an increase of 9.0 per cent during 1980-81 compared to 13.0 per cent during last year. Trends in wholesale price indices and prices of selected items are given in table 11.2 and11.3.

Consumer Price Index—202 items :

5. The combined consumer price index for all occupational categories and income groups showed an increase of 13.9 per cent during 1980-81 compared to that of 10.4 per cent during last year. The highest increase of 15.1 per cent was recorded in the 'housing & household operations' group index (weight 14.64%) whereas the lowest increase of 10.5 per cent was registered in the 'apparel, textiles and footwears' group index (weight 9.11%), compared to their respective increase of 11.9 per cent and 7.8 per cent during last year. A rise of 13.7 per cent was registered in the 'food, beverages and tobacco' group index (weight 54.39%), compared to an increase of 7.9 per cent during last year. The 'miscellaneous' group (weight 21.86%) showed an increase of 14.7 per cent during the year under review compared to 18.1 per cent during 1979-80. Trends of combined consumer price indices by commodity groups and occupational groups are given in table 11.4 and 11.5.

Sensitive Price Indicator :

6. The sensitive price indicator (base : 1975-76) covering 38 essential consumer items with the weightage of 51.63 per cent in the household expenditure of income group of Rs. 600 per month showed an increase of 15.3 per cent during July-June 1980-81. The sensitive price indicator (Base : 1969-70) for 28 essential items recorded an increase of 17.0 per cent during the same period as against 10.9 per cent during July-June last year. Monthly trends of sensitive price indicators and average retail prices of 28 essential items are given in table 11.6 and 11.7.

TABLE 11.1

PRICE INDICES

Year			Wholesale Price Index (Base 1959-60) All Pakistan	Consumer Price Index (Base 1959-60) (Industrial) Karachi	Sensitive Price Indicator
1948-49	...	...	62.50	80.28	Not Prepared
1949-50	...	...	65.91	77.40	
1950-51	...	...	69.32	76.39	
1951-52	...	...	72.73	79.77	
1952-53	...	...	76.14	85.55	
1953-54	...	...	79.55	88.93	
1954-55	...	...	82.96	85.85	
1955-56	...	...	86.37	85.24	
1956-57	...	...	90.03	90.71	
1957-58	...	...	95.38	98.44	
1958-59	...	...	92.80	94.62	
1959-60	...	...	100.00	100.00	
1960-61	...	...	104.77	101.82	
			(West Pakistan)		
1961-62	...	...	104.65	104.56	
1962-63	...	...	102.86	103.19	
1963-64	...	...	106.35	106.45	
1964-65	...	...	113.55	112.92	
1965-66	...	...	112.03	118.63	
1966-67	...	...	124.36	129.10	
1967-68	...	...	125.68	132.02	
1968-69	...	...	129.54	133.96	
			(Base 1969-70) Pakistan	(Base 1969-70) All groups Pakistan	(Base 1969-70) All Groups Pakistan
1969-70	...	...	100.00	100.00	100.00
1970-71	...	...	106.15	105.71	N. A.
1971-72	...	...	111.14	110.67	113.70 (June)
1972-73	...	...	128.68	121.40	136.00 „
1973-74	...	...	170.86	157.79	184.80 „
1974-75	...	...	211.28	199.97	230.09 „
1975-76	...	...	229.41	223.28	230.92 „
1976-77	...	...	255.27	243.91	255.75 „
1977-78	...	...	271.41	260.7	264.62 „
1978-79	...	...	289.71	282.4	289.79 „
1979-80	...	...	316.73	311.83	321.30 „
1980-81	...	...	358.78	355.03	375.98 „

Source :—25 years of Pakistan, Statistics 1947-72, Statistics Division, Government of Pakistan.

(II) Monthly Statistical Bulletin, Statistics Division, Government of Pakistan.

TABLE 11.2

WHOLESALE PRICE INDEX NUMBERS BY COMMODITY GROUPS

(1969-70=100)

Period	General		Food		Raw Materials		Fuel, Lighting and Lubricants		Manufactures	
	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81
June	301.91	332.92	314.54	323.33	328.17	323.59	325.59	607.63	260.06	299.18
July	314.37	340.06	326.54	336.61	319.52	322.23	402.11	607.46	270.23	299.97
August	317.57	340.85	332.98	337.90	314.19	318.13	392.57	607.34	273.87	302.33
September	308.59	343.98	315.60	338.15	312.21	328.72	392.53	607.34	275.87	308.13
October	308.83	344.13	313.19	338.20	318.69	327.22	392.53	607.34	278.39	309.12
November	304.23	358.30	306.45	353.07	312.78	351.93	392.57	653.81	277.63	310.39
December	306.88	357.30	309.40	350.44	320.88	354.62	392.97	653.90	277.54	310.59
January	317.18	360.31	313.58	353.67	322.36	360.43	527.93	653.90	278.15	312.44
February	316.99	360.17	310.46	353.36	323.15	362.16	527.76	654.20	283.17	311.67
March	323.15	367.98	314.51	367.43	323.73	362.46	527.84	654.27	297.32	312.54
April	324.59	374.26	314.85	376.53	328.36	370.64	527.84	655.00	299.65	313.59
May	325.50	377.37	317.26	381.23	325.77	373.80	530.18	655.00	299.02	314.24
June	332.92	380.61	323.33	387.81	323.59	373.98	607.63	655.05	299.18	313.12
Average	316.73	358.78	316.51	356.21	320.44	350.53	467.87	630.72	284.18	309.84
Percent change over Last year	+9.33	+13.28	+ 4.79	+12.54	+ 3.37	+ 9.4	+49.83	+36.5	+12.98	+9.0

TABLE 11.4

COMBINED CONSUMER PRICE INDEX NUMBERS (BY COMMODITY GROUPS)
(All Income Groups)
(1969=70=100)

Period	General		Food, Beverages and Tobacco		Apparel, Textile and Foot wear		Housing and Household Operation		Miscellaneous	
	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81
June	289.81	322.36	292.48	316.73	288.22	306.97	270.00	315.56	302.73	355.22
July	308.36	342.01	318.03	347.67	292.84	320.08	277.54	317.05	319.18	362.30
August	310.47	343.24	318.30	346.74	301.22	322.69	279.37	319.37	323.48	368.13
September ..	309.90	346.27	315.42	348.84	304.27	327.52	279.99	322.70	326.69	372.70
October	310.87	348.91	315.64	352.62	305.30	326.46	281.70	325.03	328.95	374.06
November ..	304.30	353.80	301.63	356.03	299.92	330.08	280.77	333.36	339.01	380.74
December ..	303.32	351.30	299.37	348.65	302.66	330.95	281.25	337.44	338.37	384.81
January	307.76	354.81	301.02	349.83	303.66	337.89	298.96	341.41	339.89	393.16
February.. ..	310.70	359.04	305.82	354.94	303.38	341.10	301.12	344.66	339.74	396.22
March	315.23	360.98	313.19	358.07	305.35	341.04	302.18	346.28	340.40	395.91
April	320.84	365.22	319.97	362.74	305.74	342.81	303.88	348.87	349.39	401.81
May	317.86	363.86	314.28	358.84	302.60	344.44	305.78	349.71	349.77	404.29
June	322.36	370.78	316.73	368.64	306.97	348.80	315.56	350.92	355.22	409.59
Average ..	311.83	355.02	311.62	354.47	302.83	334.49	292.34	336.40	337.51	386.98
Percent change over Last year.	+10.4	+13.9	+7.9	+13.8	+7.8	+10.5	+11.9	+15.1	+18.1	+14.7

TABLE 11 .5

CONSUMER PRICE INDEX NUMBERS (BY OCCUPATION GROUPS)

(All Income Groups)

(1969-70=100)

Period	Industrial		Commercial		Government		Three categories combined.	
	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81
June	288 .35	319 .60	292 .28	325 .33	287 .04	319 .85	289 .81	322 .36
July	307 .38	340 .39	310 .58	344 .59	305 .58	339 .20	308 .36	342 .01
August	309 .20	341 .12	313 .17	346 .00	307 .17	340 .53	310 .47	343 .24
September	308 .64	344 .05	312 .56	349 .34	306 .67	343 .14	309 .90	346 .27
October	309 .20	346 .95	313 .94	351 .94	307 .32	345 .64	310 .87	348 .91
November	301 .98	351 .81	307 .73	356 .69	300 .69	350 .80	304 .30	353 .80
December	301 .14	348 .68	306 .61	354 .53	299 .82	348 .25	303 .32	351 .30
January	305 .44	351 .54	310 .78	358 .69	304 .80	351 .25	307 .76	354 .81
February	308 .42	356 .14	313 .73	362 .82	307 .72	355 .33	310 .70	359 .04
March	313 .03	357 .99	318 .19	364 .90	312 .25	357 .11	315 .23	360 .98
April	318 .24	362 .37	323 .96	368 .85	317 .94	361 .69	320 .84	365 .22
May	314 .71	360 .70	321 .17	367 .76	315 .12	360 .17	317 .86	363 .86
June	319 .60	367 .42	325 .33	375 .09	319 .85	366 .61	322 .36	370 .78
Average	309 .75	352 .43	314 .81	358 .43	308 .74	351 .64	311 .83	355 .02
Percent change over last year	+10 .1	+13 .8	+10 .6	+13 .9	+10 .3	+13 .9	+10 .4	+13 .9

TABLE 11.6

SENSITIVE PRICE INDICATORS OF 28 ESSENTIAL COMMODITIES

(1969=70=100)

Period	Industrial		Commercial		Government		Combined	
	28 items	38 items	28 items	38 items	28 items	38 items	28 items	38 items
June 1980	317.31	150.52	325.39	152.18	317.12	149.39	321.30	150.54
July „	331.01	155.60	340.28	158.56	331.31	155.43	335.71	156.23
August „	336.45	158.89	347.40	161.81	335.17	158.86	341.63	159.56
September „	339.33	160.34	351.12	163.44	338.29	160.83	344.98	161.21
October „	344.42	162.89	356.79	166.39	343.23	163.40	350.33	163.87
November „	352.96	166.21	364.71	169.44	351.40	166.56	358.47	167.07
December „	351.35	164.57	364.15	167.44	350.85	163.97	357.63	165.04
January 1981	352.81	164.44	365.49	167.69	351.81	163.84	358.91	165.00
February „	356.84	165.72	367.12	168.82	354.56	165.02	361.45	166.22
March „	358.87	166.00	368.70	169.17	356.62	165.24	363.26	166.49
April „	361.27	167.96	371.23	170.68	359.22	166.92	365.78	168.26
May „	363.49	169.90	374.52	172.58	361.63	168.95	368.57	170.22
June „	370.69	173.15	382.12	175.85	368.87	172.68	375.98	173.63
Percent change in June 1980 over June 1979	+10.6	N.A.	+11.1	N.A.	+10.7	N.A.	+10.9	N.A.
Percent change in June 1981 over June 1980	+16.8	+15.0	+17.4	+15.6	+16.3	+15.6	+17.0	+15.3

TABLE

AVERAGE

(12

	Commodity	Unit	June 1980	July 1980	Aug. 1980	Sept. 1980	Oct. 1980
1.	Wheat (Av. Qlty)	Kg.	1.46	1.50	1.50	1.53	1.51
2.	Wheat flour (Av. Qlty)	Kg.	1.66	1.69	1.71	1.71	1.71
3.	Wheat flour (Ration)	Kg.	1.21	1.35	1.35	1.35	1.35
4.	Rice Basmati (Broken)	Kg.	3.00	3.07	3.11	3.14	3.19
5.	Moong-Pulse (Washed)	Kg.	5.51	5.55	5.58	5.63	5.59
6.	Gram-Pulse (Av. Qlty)	Kg.	4.23	5.10	6.12	6.43	6.39
7.	Beef-Cow/Buff (With Bone) ..	Kg.	8.67	8.82	9.25	9.42	9.56
8.	Mutton-Goat (Av. Qlty) ..	Kg.	20.54	20.62	21.14	21.50	21.89
9.	Eggs-Hen (Farm)	Doz.	7.16	7.25	7.46	7.52	7.59
10.	Potatoes (Av. Qlty)	Kg.	1.78	1.98	1.95	2.16	2.75
11.	Onion-Dry (Av. Qlty)	Kg.	1.55	1.62	1.91	2.33	2.51
12.	Tomatoes (Av. Qlty)	Kg.	3.36	5.11	5.96	5.87	7.10
13.	Banana (Av. Qlty)	Doz.	5.94	6.24	6.15	5.39	4.99
14.	Mustard-Oil (Mill)	Kg.	11.05	11.12	11.15	11.11	11.14
15.	Cooking Oil	2.5 Kg.	24.13	24.17	24.17	24.19	24.19
16.	Ghee Vegetable	Kg.	10.78	10.80	10.79	10.81	10.83
17.	Salt Rock (Powdered)	Kg.	1.13	1.11	1.07	1.11	1.10
18.	Red Chillies (Av. Qlty)	Kg.	7.14	7.22	7.39	7.57	7.74
19.	Sugar (Ration)	Kg.	4.80	6.00	6.00	6.00	6.00
20.	Sugar (Open Market)	Kg.	*16.00	—	—	—	—
21.	Gur (Sup. Qlty)	Kg.	5.99	5.92	6.00	6.00	5.98
22.	Milk Fresh	Ltr.	3.63	3.66	3.68	3.67	3.67
23.	Milk (Powdered) Nido	1.8 Kg	65.55	66.55	69.14	72.73	73.21
24.	Tea (Sup. Qlty) in Packet ..	250G.	8.70	8.70	8.70	8.70	8.70
25.	Cigarettes (K-2 & K. S.) ..	10's	1.10	1.14	1.12	1.12	1.17
26.	Tea (Prepared)	Cup.	0.70	0.74	0.79	0.81	0.82
27.	Coarse Latha	Mtr.	6.68	6.71	6.69	6.65	6.75
28.	Mulmul	Mtr.	5.70	5.66	5.68	5.68	5.74
29.	Voil Printed (Sup. Qlty) ..	Mtr.	17.20	17.26	17.18	16.84	16.86
30.	Markin 54 "Khaddi"	Mtr.	6.21	6.21	6.24	6.24	6.25
31.	K. T. (Shirting) Av. Qlty ..	Mtr.	11.41	11.53	11.76	11.84	11.94
32.	Shoe (Gents Concord) (Bata) ..	Pair	107.49	107.49	108.74	108.74	108.74
33.	Chappal Gents Sponge (Bata) ..	Pair	14.50	14.50	14.50	14.50	14.50
34.	Kerosene Oil	1/2 Ltr.	1.47	1.47	1.47	1.47	1.47
35.	Firewood-Kikar/Babul	40 Kg.	19.95	20.18	20.87	21.28	21.57
36.	Match Box	Each.	0.25	0.25	0.25	0.25	0.25
37.	Washing Soap	Cake	1.58	1.60	1.63	1.66	1.66
38.	Lifebuoy Soap	Cake	2.13	2.20	2.25	2.25	2.25

* Lahore.

11.7

RETAIL PRICES

Cities)

(In Rupees)

Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	March 1981	Apr. 1981	May 1981	June 1981	% Change June 1981 over June 1980	% Change June 1980 over June 1979
1.59	1.62	1.65	1.64	1.63	1.64	1.63	1.62	+ 11.0	+ 2.8
1.76	1.79	1.82	1.80	1.80	1.80	1.80	1.81	+ 9.0	+ 3.1
1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.41	+ 37.0	— 1.0
3.25	3.33	3.39	3.53	3.62	3.69	3.67	3.70	+ 23.3	+10.6
5.92	6.49	6.65	6.96	6.93	7.07	7.16	8.02	+ 45.6	N.A.
6.77	7.16	7.40	7.28	6.71	6.60	7.06	7.43	+ 75.7	+65.9
9.66	9.67	9.73	9.80	9.91	9.92	10.06	10.15	+ 17.1	+11.8
22.02	22.26	22.25	22.44	22.49	22.45	22.84	23.20	+ 13.0	+17.3
8.61	9.16	9.44	7.95	6.33	7.00	6.15	6.47	— 9.6	N. A.
3.67	2.57	2.02	2.01	2.19	2.68	3.01	3.70	+107.9	N. A.
2.21	1.94	1.71	1.55	1.42	1.40	1.70	1.95	+ 25.8	—28.2
6.58	4.29	2.71	3.18	3.33	3.97	3.63	3.87	+ 15.2	N. A.
4.35	3.92	3.98	4.04	4.29	4.78	5.46	5.82	— 2.0	N. A.
11.20	11.21	11.17	11.11	10.84	10.48	10.22	10.05	— 9.0	+17.7
24.19	24.14	24.22	24.22	24.32	25.64	25.75	25.31	+ 4.9	N. A.
10.83	10.83	10.86	10.87	10.88	10.89	10.90	10.90	+ 1.1	+10.7
1.13	1.16	1.15	1.12	1.11	1.15	1.16	1.14	+ 0.9	*Nil*
8.11	8.09	8.67	10.82	10.76	10.55	10.65	11.40	+ 59.7	—27.4
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.25	+ 30.2	+11.6
—	—	—	12.23	10.82	10.56	10.84	10.83	— 32.3	N. A.
5.83	5.68	5.27	4.84	4.21	3.90	3.95	4.05	— 32.4	+25.6
3.67	3.69	3.77	3.79	3.86	3.91	3.90	3.99	+ 9.9	+ 8.4
74.64	75.64	79.99	81.15	81.93	82.26	83.37	85.00	+ 29.7	*Nil*
8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	*Nil*	*Nil*
1.26	1.26	1.24	1.24	1.27	1.30	1.30	1.30	+ 18.2	+20.9
0.84	0.84	0.87	0.86	0.86	0.85	0.86	0.87	+ 24.3	+18.6
6.78	6.96	6.94	7.00	7.00	7.01	7.02	6.95	+ 4.0	+ 7.9
5.76	5.73	5.66	5.49	5.42	5.56	5.62	5.76	+ 1.1	+ 5.0
16.56	16.56	16.51	16.70	17.49	17.92	18.21	18.27	+ 6.2	+18.4
6.27	6.38	6.35	6.50	6.55	6.64	6.68	6.69	+ 7.7	+ 8.9
12.07	12.16	12.22	12.32	12.97	13.17	13.07	13.09	+ 14.7	N. A.
108.74	108.74	109.99	109.99	109.99	109.99	109.99	110.30	+ 2.6	N. A.
14.50	14.50	14.97	15.65	15.99	15.99	15.98	15.99	+ 10.3	N. A.
1.61	1.61	1.62	1.62	1.62	1.62	1.60	1.60	+ 8.8	+88.5
22.27	23.11	24.49	25.96	26.57	26.67	26.67	26.62	+ 33.4	+13.2
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	*Nil*	+ 8.7
1.65	1.64	1.65	1.65	1.65	1.65	1.63	1.61	+ 1.9	+17.9
2.25	2.27	2.28	2.27	2.26	2.26	2.26	2.26	+ 6.1	+18.3

Source :—Statistics Division

12

FOREIGN TRADE

Since independence, Pakistan's economy has been experiencing deficit in its balance of trade with the exception of the three years of 1947-48, 1950-51 and 1972-73, when a surplus was recorded. These three years were marked by special circumstances. During 1947-48, the import requirements of the newly born country were not fully identified and hence these were less than the exports. The year 1950-51 experienced a favourable impact of the Korean war and consequently the export receipts received a big jump. The surplus of 1972-73 was mainly the result of the devaluation of rupee in May, 1972.

BALANCE OF TRADE

2. The early years of independence were marked by unsatisfactory balance of payments position and consequently import controls. During this period, measures were taken to curtail the imports of all non-essential consumer goods and stress was laid on the imports of industrial inputs. Steps were also taken to boost export trade and foreign exchange earnings. Export Incentive Scheme was introduced in 1954 which was subsequently replaced by Export Promotion Scheme in 1956. Rupee was devalued in 1955 to stimulate exports, but these measures had no significant impact on the export trade of the country.

3. With the start of the First Five Year Plan, Pakistan entered the phase of planned development. This necessitated heavy dozes of imports to meet the requirements of the new industries. As a result, imports were liberalised to reduce the constraints on the availability of the consumer goods and industrial inputs. The Export Bonus Scheme was introduced in 1959 to increase the country's exports by means of a bonus on export earnings. Consequently, some improvements were recorded in the Sixties, but at the same time, the trade deficit increased rapidly.

4. The decade of the Seventies has been characterised by disruption in the international economic relations which emerged from oil crisis. These factors together with the domestic factors aggravated the situation. The Export Bonus Scheme was abolished in 1972 and at the same time the rupee was drastically devalued. As a result of the separation of the former East Pakistan, the country was also faced with the problem of diversion of its exports to other countries. Despite these measures, the set-back experienced in domestic production, adverse escalation in the international prices and high costs of imports persistently pressurized the balance of trade Thus, with the exception of 1972-73, the balance of trade remained in the red during 1971-77.

5. The period 1977-81 witnessed a revival of domestic production combined with the launching of many export promotional measures. During this period, large number of export items have been given compensatory rebates between 10% to 12½% of F.O.B. value. Two Export Processing Zones are being set up each at Karachi and Lahore. Besides, large number of export oriented industries have also been given incentives in the form of duty free imports of machinery for B.M.R. purposes. Exports, imports and trade balance since 1947-48 is shown in table 12.8.

The table below shows the trends of annual average growth in exports, imports and trade gap since 1947-48.

TABLE 12.1

GROWTH TRENDS

(Annual Average Growth)

(Million $)

Period	Exports		Imports		Trade Gap
	Value	Percent	Value	Percent	Value
Pre-First Plan (1947—55)	219.6	+9.2	289.8	+30.7	—70.2
First Plan (1955—60)	129.5	+7.1	278.4	+16.7	—148.9
Second Plan (1960—65)	180.5	+13.8	582.5	+15.6	—402.0
Third Plan (1965—70)	313.2	+7.6	679.2	—0.9	—366.0
1970-71 to 1976—77	881.5	+20.0	1437.0	+22.2	—555.5
1977-78 to 1980—81..	2085.7	+27.2	4158.5	+23.7	—2072.8

Source : Statistics Division.

TERMS OF TRADE

6. The terms of trade remained unfavourable through larger part of the Seventies and the onset of the Eighties has brought fresh deterioration. For a brief spell at the height of the commodity boom, the terms of trade improved rising to a peak level of 106.4 in 1973-74, but in the very next year, the terms of trade sharply fell down to 66.7 in 1974-75 due to collapse of the commodity boom and impact of hikes in prices of petroleum and manufactures. A partial recovery ensued until 1976-77 and the terms of trade remained comparatively stable till 1979-80. During 1980-81, the terms of trade again deteriorated as a result of second wave of escalation in the prices of petroleum and manufactures. The import price index has risen by 39.8 per cent while the export price index by 3.6 per cent only denoting 26.0 per cent worsening in the terms of trade. The table below shows the trends since 1971-72.

TABLE 12.2

TERMS OF TRADE

(Base 1969-70=100)

Year	Export unit value index	Import unit value index	Terms of trade
1971-72	129.1	155.9	82.8
1972-73	272.6	285.2	95.6
1973-74	439.0	412.6	106.4
1974-75	409.7	614.5	66.7
1975-76	410.8	582.6	70.5
1976-77	488.5	585.4	83.4
1977-78	508.5	628.1	81.0
1978-79	573.8	656.0	87.5
1979-80	673.4	802.8	83.9
1980-81*	697.4	1122.7	62.1

*Provisional.

Source : Statistics Division.

EXPORT

7. The export sector continues to show remarkable performance for the fourth year in succession. During this period a large number of measures have been taken by the Government to boost exports in recognition of the vital role they play in the economy of Pakistan. As a result, exports which had stagnated around the one billion dollar mark from 1973-74 to 1976-77 have risen significantly in each succeeding year. Export earnings more than doubled from $1141 million in 1976-77 to $ 2365 million in 1979-80 and further to $ 2958 million in 1980-81. The increase in export earnings reflects a marked increase in quantities though higher prices of several products have also contributed towards this expansion. Expor by major commodities since 1959-60 is given in table 12.9.

8. Commodity exports for 1980-81 were originally projected at $ 2550 million which were revised upward to $ 2800 million. Actual export earnings, however, crossed the revised target set for 1980-81 and stood at $ 2958 million signifying an increase of 16.0 per cent over the original estimates and 25.1 per cent over the actual exports of $ 2365 million in 1979-80. This owes largely to record domestic production of raw cotton and consequently remarkable export performance displayed by this item. Rice another major export item, also contributed towards this expansion. Both these items (rice and raw cotton) accounted for the major share in the total export earnings contributing 36.9 per cent of the total exports during 1980-81. Although, exports of major manufactures did not fare well, yet rapid increases were recorded in the category of miscellaneous manufactures especially in the case of synthetic textiles and made-up textile articles. The table 12.3 shows the performance of major exports commodities during 1980-81 compared with the preceeding year :

TABLE 12.3

EXPORT BY MAJOR COMMODITIES

(Million $)

Commodities	1979-80	1980-81	% change
1. Rice	422.2	565.8	+34.0
2. Raw cotton	335.5	525.6	+56.7
3. Cotton Yarn	205.9	207.0	+0.5
4. Cotton cloth	244.1	241.4	—1.1
5. Fish and fish preparations	53.6	56.5	+5.4
6. Carpets, rugs and mats	222.1	226.6	+2.0
7. Leather	127.7	90.1	—29.4
8. Petroleum and products	178.2	169.2	—5.1
9. Synthetic textiles	5.5	128.5	+2236.4
10. Others	569.9	746.8	+31.0
Total ..	2364.7	2957.5	+25.1

Source : Statistics Division.

UNIT VALUE OF MAJOR EXPORT ITEMS

9. The improvement in the unit values of major export items during 1980-81 was mostly confined to rice, raw cotton, cotton yarn, cotton cloth and carpets, rugs and mats whereas the unit values of fish and fish preparations, leather and petroleum and products declined over the base level of 1979-80. The table 12.4 shows the trends in the unit values of major exports during 1980-81 compared with 1979-80.

TABLE 12.4

UNIT VALUES OF MAJOR EXPORT ITEMS

($ Per Unit)

Commodities	Unit	1979-80	1980-81	%change
1. Rice	MT	388.48	454.96	+17.1
2. Raw cotton	MT	1336.48	1615.74	+20.9
3. Cotton yarn	KG	2.06	2.17	+5.3
4. Cotton cloth	SQM	0.45	0.48	+6.7
5. Fish and fish preparations	KG	4.06	3.81	—6.2
6. Carpets, rugs and mats	SQM	82.24	88.93	+8.1
7. Leather	SQM	12.52	10.19	—18.6
8. Petroleum and products	MT	171.84	168.37	—2.0

Source : Statistics Division.

ECONOMIC CLASSIFICATION OF EXPORTS

10. The share of primary commodities and manufactured goods during 1980-81 went up to 43.8 per cent and 44.9 per cent from 42 per cent and 43 per cent respectively during 1979-80. The increase in the share of primary commodities and manufactured goods is mainly attributed to the spectacular export performance of raw cotton, rice and synthetic textiles. The share of semi-manufactures declined to 11.3 per cent in 1980-81 from 15 per cent in 1979-80 due to weak demand of cotton yarn and leather in the international markets. Economic classification of exports since 1969-70 is given in table 12.11.

DIRECTION OF EXPORTS

11. The destination of Pakistan's exports can be broadly classified into seven major groups of countries : (1) American Region countries (2) West European countries (3) East European countries (4) Middle East (5) Other Asian countries (6) Other African countries and (7) Oceania. During 1980-81, the share of American Region countries in the total exports went up to 8.6 per cent from 8.0 per cent while, the share of West European countries and East European countries dropped to 18.7 per cent and 4.1 per cent from 25.2 per cent and 4.2 per cent during 1979-80. The share of Middle East countries improved to 26.8 per cent from 25.4 per cent in 1979-80 while, that of other Asian countries from 31.9 per cent in 1979-80 to 33.7 per cent during the period under review.

The table 12.5 shows the direction of exports during 1980-81 compared with 1979-80 :

TABLE 12.5

DIRECTION OF EXPORTS

(Million $)

Regions	1979-80		1980-81	
	Value	% share	Value	% share
1. AMERICAN REGION	190.0	8.0	254.9	8.6
(a) North America	135.3	5.7	192.7	6.5
(b) Central America	12.2	0.5	37.9	1.3
(c) South America	42.5	1.8	24.3	0.8
2. WESTERN EUROPE	596.5	25.2	554.5	18.7
(a) E. E. C.	493.4	20.9	458.3	15.5
(b) E. F. T. A.	70.2	3.0	72.7	2.4
(c) Others	32.9	1.4	23.5	0.8
3. EASTERN EUROPE	100.4	4.2	122.0	4.1
4. MIDDLE EAST	599.4	25.4	792.0	26.8
(a) RCD	117.9	5.0	256.3	8.7
(b) Asian countries	445.8	18.9	495.9	16.8
(c) African countries	35.7	1.5	39.8	1.3
5. OTHER ASIAN COUNTRIES	753.3	31.9	995.3	33.7
6. OTHER AFRICAN COUNTRIES ..	109.1	4.6	210.5	7.1
7. OCEANIA	15.9	0.7	28.3	1.0
Total ..	2364.7	100.0	2957.5	100.0

IMPORTS

12. For 1980-81, imports were originally projected at $ 5091 million which were subsequently revised upward to $5557 million due to escalation in the prices of petroleum and other essential imports, and liberalisation of imports of raw materials and capital goods. During 1980-81 imports swelled to $ 5409 million from $ 4740 million in 1979-80 and $ 3676 million in 1978-79 showing an increase of 14.1 per cent over 1979-80 and 47.1 per cent over 1978-79. Main items contributing towards increase in imports during 1980-81 over 1979-80 include : edible oils (+14.4%), P. O. L. (+42.2%), fertilizers (+30.5%), tea (+24.2%), chemicals (+35.4%), medicaments (+24.8%), and milk food for infants (+51.0%). Import of wheat and Agricultural tractors declined by 39.3 per cent and 31.4 per cent respectively during the period under review. Major imports since 1959-60 is given in table 12.12.

UNIT VALUES OF MAJOR IMPORTS

13. An analysis of the unit values of major imports reveals increases in unit values in most of the commodities with the exception of edible oils where the unit value of Palm oil and Soyabean oil declined by 14.1 per cent and 17.1 per cent in 1980-81 over their levels in 1979-80. The following table shows the trends :

TABLE 12.6

UNIT VALUES OF MAJOR IMPORTS

($ Per Unit)

Commodities	Unit	1979-80	1980-81	%change
1. Wheat	MT	174.67	209.63	+20.0
2. Petroleum crude	MT	128.09	251.32	+96.2
3. Diesel Oil high speed	MT	263.94	328.61	+24.5
4. Palm Oil	KG	0.64	0.55	—14.1
5. Soyabean oil	KG	0.70	0.58	—17.1
6. Tea	KG	1.58	1.65	+4.4
7. Dairy products (Butter)	KG	1.49	1.62	+8.7
8. Fertilizer urea	MT	225.22	257.24	+14.2
9. Fertilizer phosphatic	MT	275.55	286.07	+3.8
10. Milk food for infants	KG	2.30	2.42	+5.2
11. Agricultural tractors	Nos	5019.55	5575.01	+11.1

ECONOMIC CLASSIFICATION OF IMPORTS

14. The share of consumer goods and capital goods in the total imports declined to 14.5 per cent and 27.8 per cent in 1980-81 from 16.0 per cent and 35.5 per cent respectively in 1979-80. The share of raw materials for consumer goods and capital goods, however, registered a marked increase from 48.5 per cet in 1979-80 to 57.7 per cent in 1980-81 mainly due to substantial increase in the import of P.O.L. Economic classification of imports is given in table 12.13.

DIRECTION OF IMPORTS

15. Middle East countries emerged as the leading suppliers during 1980-81 and their share in the total imports recorded a marked increase from 25.6 per cent to 30.3 per cent in 1980-81. The share of American Region countries declined from 14.4 per cent in 1979-80 to 14.1 per cent. The share of West European countries also declined to 23.8 per cent from 26.7 per cent in 1979-80 while, the share of East European countries increased from 3.5 per cent to 3.7 per cent in 1980-81. The share of other Asian countries dropped to 25.6 per cent during the period under review. Table 12.7 shows the direction of imports for the years 1979-80 and 1980-81.

TABLE 12.7

DIRECTION OF IMPORTS

(Million $)

Regions	1979-80		1980-81	
	Value	% share	Value	% share
1. AMERICAN REGION	682.4	14.4	764.0	14.1
(a) North America	610.6	12.9	653.5	12.0
(b) Central America	1.6	—	3.9	0.1
(c) South America	70.2	1.5	106.6	2.0
2. WESTERN EUROPE	1267.8	26.7	1286.7	23.8
(a) E. E. C.	1138.0	24.0	1120.3	20.7
(b) E. F. T. A.	108.9	2.3	121.6	2.2
(c) Others	20.9	0.4	44.8	0.8
3. EASTERN EUROPE	163.7	3.5	199.1	3.7
4. MIDDLE EAST	1213.9	25.6	1637.0	30.3
(a) R. C. D.	16.5	0.4	6.1	0.1
(b) Asian countries	1196.3	25.2	1629.8	30.2
(c) African countries	1.2	—	1.1	—
5. OTHER ASIAN COUNTRIES	1260.6	26.6	1385.8	25.6
6. OTHER AFRICAN COUNTRIES ..	44.5	0.9	65.3	1.2
7. OCEANIA	107.4	2.3	70.6	1.3
Total	4740.3	100.0	5408.5	100.0

TABLE 12.8

BALANCE OF TRADE

(Million $)

Year	Imports	Exports	Balance
1947-48*	96.3	137.8	+ 41.5
1948-49	355.5	159.7	— 195.8
1949-50	275.6	170.8	— 104.8
1950-51	352.6	405.6	+ 53.0
1951-52	445.3	278.5	— 166.8
1952-53	307.3	262.1	— 45.2
1953-54	249.0	193.7	— 55.3
1954-55	236.6	148.5	— 88.1
1955-56	202.6	156.0	— 46.6
1956-57	318.5	146.7	— 171.8
1957-58	276.1	91.1	— 185.0
1958-59	215.3	93.4	— 121.9
1959-60	379.3	160.5	— 219.0
1960-61	456.6	113.5	— 343.1
1961-62	469.8	114.1	— 355.7
1962-63	588.3	209.7	- 378.6
1963-64	626.4	225.8	400.6
1964-65	771.5	239.4	— 532.1
1965-66	605.1	252.9	— 352.2
1966-67	761.7	272.5	— 489.2
1967-68	699.0	345.5	— 353.5
1968-69	640.0	357.1	— 282.9
1969-70	690.1	337.9	— 352.2
1970-71	756.7	419.8	— 336.9
1971-72	638.2	590.7	— 47.5
1972-73	797.2	817.3	+ 20.1
1973-74	1,361.5	1,026.4	— 335.1
1974-75	2,113.6	1,039.0	— 1,074.6
1975-76	2,067.2	1,136.7	— 930.5
1976-77	2,324.5	1,140.8	— 1,183.7
1977-78	2,809.6	1,311.1	— 1,498.5
1978-79	3,675.6	1,709.6	— 1,966.0
1979-80	4,740.3	2,364.7	— 2,375.6
1980-81	5,408.5	2,957.5	— 2,451.0

*15 August to 30th June.

Source : Statistics Division.

TABLE 12.9

MAJOR EXPORTS

(Million $)

Items	1959-60	1964-65	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Fish and fish preparations	4·2	8·5	17·5	12·9	21·3	22·1	28·0	15·8	28·2	38·5	34·5	46·7	53·6	56·5
Rice	—	25·8	19·6	36·3	43·6	110·6	212·0	232·7	250·4	250·3	243·3	341·4	422·2	565·8
Hides and skins	8·9	2·7	3·7	3·5	2·5	1·6	2·4	4·7	3·1	0·2	—	—	5·4	2·3
Raw wool	15·8	12·4	5·6	4·4	3·9	6·8	6·5	2·0	6·6	7·7	7·7	10·1	8·9	5·1
Raw cotton	38·6	59·6	44·1	56·7	168·1	110·5	38·0	155·9	99·0	29·5	110·5	66·2	335·5	525·6
Cotton waste	3·6	5·8	2·9	3·1	4·9	3·0	3·5	1·9	1·1	2·4	1·6	1·5	1·9	1·9
Leather	N.A.	9·6	23·0	22·5	28·1	52·0	42·3	37·1	60·2	65·4	64·3	126·0	127·7	90·1
Cotton yarn	35·0	27·5	50·7	72·3	110·3	186·2	183·1	86·0	143·5	118·4	107·0	197·6	205·9	207·0
Cotton thread	N.A.	1·7	2·7	2·7	2·3	3·2	5·3	5·8	4·1	4·4	7·1	5·8	7·1	10·2
Cotton fabrics	10·8	27·8	54·0	65·4	72·3	119·6	143·1	132·6	137·3	162·0	175·9	215·7	244·1	241·4
Petroleum and products	N.A.	6·6	10·2	8·1	7·3	12·2	17·7	14·0	19·4	27·1	63·2	61·4	178·2	169·2
Synthetic textiles	N.A.	N.A.	3·6	3·1	2·3	6·1	6·6	2·3	3·5	3·6	15·6	6·6	5·5	128·5
Footwear	N.A.	2·1	4·9	6·2	7·4	8·0	9·5	12·7	6·7	9·0	7·2	9·8	10·7	10·2
Animal casings	N.A.	N.A.	3·1	1·7	1·6	2·0	2·9	2·1	3·6	3·3	2·7	3·1	4·2	6·1
Cement and products	N.A.	N.A.	4·0	4·3	7·9	10·4	16·9	28·2	4·5	0·6	—	—	—	—
Guar and products	N.A.	N.A.	5·4	8·3	7·2	9·2	17·7	16·5	19·9	18·4	20·5	27·4	33·6	29·0
Oil cakes	2·6	2·1	2·7	1·3	0·7	2·1	0·8	3·5	1·6	6·0	10·0	7·2	4·2	3·5
Paints and varnishes	N.A.	N.A.	1·2	0·8	0·8	0·5	0·7	0·8	0·8	1·2	0·9	0·8	0·9	1·4
Tobacco raw and products	0·02	0.4	3·5	3·0	4·0	4·6	10·8	13·4	16·2	16·5	12·7	10·2	8·1	5·4
Readymade garments and hosiery ..	N.A.	N.A.	4·0	5·2	6·4	9·4	16·9	21·7	33·7	42·1	40·2	50·5	73·9	98·9
Drugs and chemicals	0·6	1·2	2·6	2·5	1·1	1·8	8·7	6·3	7·0	11·5	14·0	12·4	18·4	15·1
Surgical instruments	N.A.	1·4	3·0	3·9	3·6	4·3	8·6	13·1	13·3	13·5	16·2	21·3	24·3	26·7
Carpets and rugs	N.A.	2·8	11·6	13·6	18·6	26·9	46·1	46·1	72·7	92·1	118·3	178.3	222·1	226·6
Sports goods	2·5	4·1	6·3	6·9	8·7	13·2	19·0	20·7	19·1	20·1	19·7	21·4	24·7	31·5
Others	37.7	37.3	48·0	71·1	54·8	86·3	179·3	160·1	181·2	197·0	218·1	288·2	343·7	499·4
GRAND TOTAL ..	160·3	239·4	337·9	419·8	590·7	817·3	1,026·4	1,039·0	1,136·7	1,140·8	1,311·1	1,709·6	2,364·7	2,957·5

N.A:—Not available.

Source : Statistics Division.

TABLE 12·10

EXPORT OF COTTON AND COTTON MANUFACTURES

(Million $)

Items	1959-60	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Cotton yarn	35·0	50·7	72·3	101·3	186·2	183·1	86·0	143·7	118·4	107·0	197·7	205·9	207·0
Cotton thread	N.A.	2·7	2·7	2·3	3·2	5·3	5·8	4·0	4·4	7·1	5·8	7·1	10·2
Cotton fabrics	10·8	54·1	65·4	72·6	119·6	143·1	132·6	137·5	162·0	175·9	215·7	244·1	241·4
(*a*) Cotton fabrics mill made ..	N.A.	54·1	65·3	71·9	118·8	142·2	131·1	136·3	160·5	174·9	214·3	242·6	241·1
(*b*) Cotton fabrics handloom ..	N.A.	—	0·04	0·7	0·8	0·9	1·5	1·0	1·5	1·0	1·4	1·5	0·3
Cotton bags	—	0·2	0·4	1·2	4·5	8·1	7·2	7·9	8·3	9·6	11·2	21·2	35·7
Tents and Canvas	—	1·7	2·1	1·9	2·3	7·5	22·4	25·1	25·0	26·0	27·7	31·7	65·3
Made up articles of textile	N.A.	8·5	13·2	8·2	9·2	25·7	24·9	27·0	21·3	20·6	34·5	42·4	79·6
(i) Curtains	N.A.	0·04	0·02	0·02	—	0·03	—	—	—	—	—	—	—
(ii) Bed sheets and covers	N.A.	0·3	0·5	0·9	1·3	4·9	5·6	3·7	3·3	4·8	7·9	10·5	17·3
(*iii*) Napkins	N.A.	0·2	0·4	0·5	0·2	2·0	1·3	1·8	1·0	0·5	2·9	1·8	2·7
(*iv*) Towel	N.A.	3·4	7·0	6·1	7·0	16·3	15·6	18·3	14·2	12·9	21·2	26·5	48·0
(*v*) Others	N.A.	4·2	5·1	0·5	0·7	2·2	2·4	3·2	2·8	2·4	2·5	3·6	11·6
Ready-made garmants	N.A.	1·4	2·1	3·2	3·3	8·6	14·4	21·5	30·4	30·4	38·1	53·9	75·3
Hosiery	N.A.	2·4	3·0	3·2	6·2	8·3	10·3	10·2	11·8	9·8	12·3	20·0	23·2
Raw Cotton	38·6	44·1	56·7	168·1	110·5	38·0	155·9	99·0	29·5	110·5	66·2	335·5	525·6
Cotton linters	N.A.	0·08	0·1	0·05	0·1	0·2	0·4	0·2	—	—	—	—	—
Cotton waste	3·6	2·9	3·1	4·9	3·0	3·5	1·9	1·1	2·4	1·6	1·5	1·0	1·9
Total Cotton and cotton manufactures ..	88·0	169·5	221·1	367.4	448·1	431·5	461·8	477·0	413·5	497·9	610·7	963·7	1265·2
GRAND TOTAL ..	160·3	337·9	419·8	590·7	817·3	1,026·4	1,039·0	1,136·7	1,140·8	1,311·1	1,709·6	2,364·7	2,957·5

N.A:—Not available

Source : Statistics Division.

TABLE 12.11

ECONOMIC CLASSIFICATION OF EXPORTS

(Million Rs.)

Year	Primary Commodities		Semi-manufactures		Manufactured Good		Total	
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share
1969-70	531.7	33.1	375.4	23.3	701.5	43.6	1,608.6	100.0
1970-71	650.3	32.6	472.2	23.6	876.0	41.8	1,998.5	100.0
1971-72	1,510.4	44.8	913.8	27.1	947.2	28.1	2,371.4	100.0
1972-73	3,365.6	39.4	2,583.3	30.2	2,602.3	30.4	8,551.2	100.0
1973 74	4,007.3	39.4	2,293.8	22.6	3,860.1	38.0	10,161.2	100.0
1974-75	4,931.5	48.0	1,308.2	12.7	4,046.6	39.3	10,286.3	100.0
1975-76	4,902.2	43.6	2,067.5	18.4	4,283.2	38.0	11,252.9	100.0
1976-77	4,622.4	40.9	1,888.1	16.7	4,783.4	42.4	11,293.9	100.0
1977-78	4,634.2	35.7	1,911.5	14.7	6,434.7	49.6	12,980.4	100.0
1978-79	5,473.7	32.3	3,488.6	20.6	7,962.7	47.1	16,925.0	100.0
1979-80	9,838.3	42.0	3,519.3	15.0	10,052.5	43.0	23,410.1	100.0
1980-81	12,824.2	43.8	3,320.2	11.3	13,135.1	44.9	29,279.5	100.0

Source : Statistics Division.

TABLE 12.12

MOJOR IMPORTS

(Million $)

Items	1959-60	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Chemicals	9·3	19·2	21·8	17·7	24·4	35·5	39·6	48·8	55·6	65·4	82·3	90·4	122·4
Drugs and medicines	12·1	13·1	11·7	14·9	11·3	18·6	25·6	27·5	35·2	51·9	60·7	75·8	94·6
Dyes and colours	6·6	11·3	10·8	10·0	15·3	16·7	26·9	28·2	28·4	36·7	31·4	39·6	46·6
Chemical fertilizer	—	59·3	37·3	10·9	37·3	90·4	103·2	56·4	63·0	105·8	283·6	273·8	357·3
Electrical goods	12·1	46·0	54·5	50·1	43·8	60·4	119·8	120·1	131·6	161·6	171·6	182·3	193·5
Machinery non-electrical	82·3	143·9	141·4	110·0	69·9	111·7	209·2	282·5	334·5	418·8	429·4	564·6	574·4
Transport equipment	26·2	71·4	102·0	36·1	45·5	108·9	123·9	136·7	203·6	165·1	249·9	596·3	402·9
Paper and Stationery..	5·3	7·2	8·9	10·2	12·6	39·5	52·8	27·5	34·5	38·1	49·8	61·5	73·6
Tea	0·1	0·2	2·4	26·1	31·7	34·7	67·1	62·3	75·9	127·1	101·0	96·3	119.6
Synthetic Art-silk yarn	4·5	2·5	4·2	6·1	7·0	35·1	41·6	40·7	64·6	81·2	114·9	156·3	131·4
Sugar refined	0·04	—	—	0·01	39·1	12·7	—	—	—	0·1	0·3	49·9	47·8
Iron, steel and manufactures thereof	27·9	75·7	96·2	80·1	86·7	112·1	207·5	170·7	190.0	176·3	232·9	338·4	292·7
Non-ferrous metals	6·2	14·2	16·1	0·5	14·8	31·2	42·3	12·0	34·2	34·7	33·1	48·9	58·8
Oil minerals (inc. greases)	37·8	43·8	55·2	50·1	61·9	150·2	336·7	378·2	412·5	496·8	530·0	1,079·3	1,535·3
Oil vegetables	44·7	16·2	28·4	25·1	21·1	82·8	137·4	105·8	149·3	156·9	298.3	231·8	265·2
Grains pulses and flour	64·8	11·7	15·9	44·7	107·1	157·2	249·4	180·1	67·1	135·2	354·3	106·1	64·3
Other imports	39·4	149·4	150·0	145·6	167·7	263·9	330·6	388·7	444·5	558·4	652·1	749·0	1,028·1
GRAND TOTAL ..	379·3	690·1	756·7	638·2	797·2	1,361·5	2,113·6	2,067·2	2,324·5	2,809·6	3,675.6	4,740.3	5,408.5

Source : Statistics Division.

TABLE 12.13

ECONOMIC CLASSIFICATION OF IMPORTS

(Million Rs.)

Year	Capital Goods		Industrial Raw Materials: Capital Goods		Industrial Raw Materials: Consumer Goods		Consumer Goods		Total	
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share
1969-70	1,655.0	50.4	344.0	10.5	957.0	29.1	329.0	10.0	3,285.0	100.0
1970-71	1,885.4	52.3	381.9	10.6	949.8	26.4	385.3	10.7	3,602.4	100.0
1971-72	1,482.1	42.4	366.6	10.5	851.5	24.4	795.2	22.7	3,495.4	100.0
1972-73	2,498.8	29.8	830.2	9.9	2,584.6	30.8	2,484.7	29.5	8,398.3	100.0
1973-74	3,975.3	29.5	904.0	6.7	5,385.9	40.0	3,214.0	23.8	13,479.2	100.0
1974-75	6,152.2	29.4	1,802.2	8.6	8,257.1	39.4	4,713.5	22.5	20,925.0	100.0
1975-76	7,158.2	35.0	1,261.0	6.1	7,709.4	37.7	4,336.7	21.2	20,465.2	100.0
1976-77	8,750.2	38.0	1,463.6	6.4	9,147.7	39.7	3,650.7	15.9	23,012.2	100.0
1977-78	9,315.7	33.5	1,920.8	6.9	11,023.5	39.6	5,554.7	20.0	27,814.7	100.0
1978-79	10,970.5	30.1	2,160.2	5.9	15,415.7	42.4	7,841.7	21.6	36,388.1	100.0
1979-80	16,679.0	35.5	2,915.7	6.2	19,834.4	42.3	7,500.0	16.0	46,929.1	100.0
1980-81	14,882.0	27.8	4,054.7	7.6	26,831.8	50.1	7,775.2	14.5	53,543.7	100.0

Source : Statistics Division.

TABLE 12.14

DIRECTION OF TRADE

(million $)

Countries	1959-60		1969-70		1970-71		1971-72*		1972-73		1973-74		1974-75		1975-76		1976-77		1977-78		1978-79		1979-80		1980-81	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
1. Japan	15.8	19.1	68.4	25.9	75.3	40.9	—	—	68.6	150.4	113.8	64.0	265.9	70.6	252.4	79.4	332.5	92.2	335.6	111.9	419.1	168.7	547.7	183.1	625.0	189.6
2. Hong Kong	0.4	29.5	3.8	31.5	2.5	51.8	..	..	3.1	91.3	5.6	112.8	10.6	79.5	13.7	125.3	17.7	71.9	26.3	76.9	24.1	140.8	23.0	186.0	26.2	115.3
3. U.K.	68.9	25.6	78.5	36.7	84.5	39.6	..	..	64.5	59.7	96.0	69.4	124.2	69.4	152.6	71.8	188.0	81.6	233.9	86.9	230.2	130.2	290.7	113.9	333.0	117.5
4. U.S.A.	99.4	18.2	165.3	25.4	216.3	26.6	—	..	199.3	32.9	348.7	54.7	239.8	38.7	378.0	401.7	342.7	58.8	253.2	66.3	584.9	117.6	527.2	121.3	591.0	178.7
5. Peoples Republic of China	1.7	4.9	10.6	7.4	11.6	4.7	..	..	34.3	17.9	57.7	4.0	54.0	15.2	55.5	17.7	64.0	9.7	63.6	71.3	99.1	14.4	147.9	145.6	178.3	360.7
6. U S.S.R.	0.8	0.6	16.0	16.8	20.4	34.0	..	..	15.8	21.1	18.3	25.9	41.4	32.0	51.5	19.6	43.6	25.4	36.1	27.6	55.4	29.9	51.7	52.9	46.1	45.2
7. Italy	15.9	0.8	38.8	33.1	40.5	13.3	..	..	22.0	41.1	30.3	49.0	60.5	25.3	67.5	43.5	72.4	42.5	79.1	38.1	126.7	68.5	187.2	89.1	170.7	75.8
8. West Germany ..	37.1	3.4	82.1	8.9	85.3	13.0	..	..	71.5	29.2	106.1	46.8	150.6	46.8	125.5	60.4	147.8	65.5	219.6	73.9	210.4	104.7	233.2	144.4	272.1	127.3
9. Kuwait	0.1	1.8	1.1	6.7	8.9	9.0	..	..	19.2	8 6	50.3	14.8	123.7	18.5	78.9	38.4	119.5	32.0	149.4	28.1	233.4	21.7	478.7	49.2	431.9	51.5
10. Poland	2.1	1.4	10.1	16.7	12.0	16.5	..	..	18.0	11.2	20.3	14.4	23.0	16.6	14.5	12.0	9.2	2.7	21.3	2.4	13.4	10.1	17.3	13.1	34.9	4.0
11. Saudi Arabia	3.4	1.3	7.3	8.0	8.0	6.2	..	..	35.0	12.1	90.2	40.1	157.5	62.7	153.1	80.4	161.0	46.6	251.4	43.0	198.2	95.4	326.8	128.2	693.8	176.0
12. Sri Lanka	2.1	5.2	1.8	9.0	3.9	12.2	..	..	28.1	19.3	36.0	13.0	55.2	60.7	51.0	36.4	44.8	44.1	63.9	23.4	42.7	42.8	44.7	38.5	42.4	30.3
13. France	18.8	2.0	26.3	4.7	13.4	5.3	..	..	10.6	17.4	34.6	26.9	50.6	19.7	55.3	23.1	50.6	26.4	81.6	25.3	107.2	42.8	217.1	58.7	152.4	63.0
14. Singapore	3.3	1.3	2.7	12.2	2.5	12.8	..	..	12.4	28.9	18.4	38.6	19.7	11.9	20.7	15.4	21.5	13.5	29.6	25.2	93.1	24.0	95.4	29.4	76.9	56.0
15. Iraq	0.5	6.4	0.9	2.5	0.7	11.3	..	..	0.6	10.5	0.8	20.9	19.0	31.6	10.7	59.1	14.6	50.3	11.9	65.9	12.9	32.8	158.5	39.7	82.5	54.3
16. Indonesia	..	1.3	0.3	4.5	0.1	6.4	..	..	0.7	63.9	12.1	94.2	32.7	13.3	41.5	13.4	38.8	18.9	53.7	31.3	45.2	7.6	50.1	15.3	24.7	7.4
17. Netherlands	8.6	3.9	10.0	4.4	7.5	4.7	..	..	18.8	12.7	52.0	16.1	39.6	13.7	26.3	15.2	52.1	21.7	70.7	23.5	188.1	33.8	110.5	38.0	105.1	37.9
18. Afghanistan	8.8	3.2	19.8	8.9	20.3	4.9	..	..	12.1	3.4	19.0	8.3	23.1	12.9	24.7	9.6	30.6	13.0	36.5	20.2	46.2	21.9	43.6	22.2	63.5	21.3
19. Dubai	N.A.	N.A.	0.1	5.2	0.2	6.2	..	..	0.8	10.6	1.7	19.7	12.0	30.0	11.9	29.5	16.1	54.8	28.7	21.4	24.5	59.3	50.4	82.9	33.4	95.8
20. Bulgharia	N.A.	N.A.	2.2	6.9	9.5	5.7	..	..	2.1	4.2	2.1	0.2	3.2	1.3	4.7	2.1	11.5	5.5	3.5	8.8	5.3	3.8	11.3	1.8	23.9	13.7
21. Switzerland	3.3	0.1	8.8	2.6	4.9	3.2	..	..	7.3	10.0	6.1	21.9	10.1	13.3	20.7	14.7	18.9	16.8	23.0	18.2	28.1	35.0	43.6	41.5	51.5	40.2
22. Yugoslavia	1.0	..	15.4	4.7	8.8	7.8	..	..	7.2	11.3	14.6	18.9	13.4	12.0	9.5	6.4	12.3	2.0	20.6	1.2	22.2	2.5	22.5	7.5	23.3	5.7
23. Czechoslovakia ..	2.5	0.9	12.2	3.9	10.1	7.2	..	..	4.4	4.7	9.7	1.5	7.8	3.7	5.4	1.7	6.4	2.8	8.9	6.0	11.6	4.5	13.7	6.2	15.3	1.9
24. Canada	12.7	0.4	24.8	2.4	24.3	3.1	..	..	11.6	7.3	52.0	13.9	65.5	7.8	72.1	8.9	51.6	7.3	58.1	7.4	77.7	9.9	83.4	13.9	62.5	13.0
25. Iran	26.4	2.6	18.6	4.4	21.6	3.0	..	..	9.3	5.8	22.4	33.3	11.8	60.0	6.3	17.8	3.1	88.8	5.7	53.0	6.0	46.9	9.6	105.0	2.6	231.8
26. Turkey	..	0.1	0.2	0.3	0.5	0.3	..	..	5.4	0.1	2.0	0.3	2.1	0.6	1.6	8.3	2.1	7.0	5.8	24.6	8.3	16.2	6.9	12.9	3.6	24.6
27. Other Countries ..	44.8	26.3	64.0	64.3	63.2	69.1	..	..	114.5	131.7	149.9	202.3	442.4	271.2	361.6	75.1	451.1	239.0	549.9	320.9	761.6	423.8	947.6	624.4	1,241.9	810.0
Grand Total ..	379.3	160.3	690.1	338.0	756.7	419.8	..	..	797.2	817.3	1361.5	1,026.4	2,113.6	1,039.0	2,067.2	1,136.7	2,324.5	1,140.8	2,809.6	1,311.1	3,675.6	1,709.6	4,740.3	2,364.7	5,408.5	2,957.5

Source : Statistics Division.

.. = Negligible. N.A=Not available. *Not available in U.S. $—"

Notes— U.S. $ —Rs. 3.31upto July 1955, Rs. 4.76 upto 11th May, 1972, Rs. 11.00 from 12th May, 1972 to 15th February, 1973, and Rs. 9.90 onwards.

13

FOREIGN ECONOMIC ASSISTANCE

Foreign economic assistance started in Pakistan as early as 1950. It was meant basically to bridge the investment and saving gap and to supplement the domestic availability of essential consumer goods. The composition, terms and conditions and sources of the assistance have changed markedly over time.

2. Over the years, there has been a continuous decline in the net aid inflows to Pakistan. Net transfers which constituted about 90 per cent of the gross disbursements in 1964-65 dropped to 56 per cent in 1977-78 and 50 per cent in 1979-80. This further declined to about 39 per cent in 1980-81 despite, the multilateral accord on debt relief to Pakistan for a period of 18 months from January 15, 1980 to July 14, 1982. By the end of June, 1981 aid worth $ 18.1 billion had been contracted out of which $ 4.2 billion were in the form of grants, $ 13.5 billion in the form of loans repayable in foreign exchange and $ 0.4 billion in the form of loans repayable in non-convertible rupee (excluding $ 0.3 billion rupee loans repayable in rupee). Out of total assistance amounting to $ 18.1 billion, 58 per cent were in the form of project aid while, the remaining 42 per cent were in the form of non-project aid. Out of the total non-project aid 22 per cent aid was for non-food, 11 per cent for food and 9 per cent for balance of payments support. Tables 13.3, 13.4 and 13.5 show the position of loans and credits contracted, grant assistance and commitments of external assistance.

3. Disbursements of loans and credits by the end of June, 1981, amounted to $ 11.4 billion. Pakistan has repaid $ 2.4 billion leaving a net debt (disbursed and outstanding) of around $ 9 billion on 30th June, 1981. Table 13.6 shows the outstanding external indebtedness of the country since 1974-75.

4. Several factors have contributed to this existing high level of debt accumulation. These are : (a) shift in the composition of aid from grants and grant type assistance to loans and credits repayable in foreign exchange (b) inflation and recession in the developed market economies and (c) domestic factors like floods and certain poor harvesting years, Tarbela mishaps, etc.

Debt Service :

5. The debt service payments increased from $ 193 million in 1972-73 to $ 374 million in 1977-78 (net of relief). With the expiry of debt relief arranged ments in June, 1978, the debt service payments jumped to $ 494 million in 1978-79 and $ 589 million in 1979-80. Thus, the debt service payments increased by 205 per cent over a period of seven years. With inadequate relief during 1980-81, the debt service payments rose to $ 672 million.

PLEDGES, COMMITMENTS AND DISBURSEMENTS 1980-81

Pledges :

6. Total pledges from Consortium have been substantially above the last year's level and amounted to $ 1,115 million for 1980-81. Out of which, project aid stood at $ 668 million while, non-project aid amounted to $ 447 million which included non-food assistance of $ 265 million, food aid $ 85 million and relief assistance for Afghan Refugees of the order of $ 97 million.

Commitments :

7. Commitments during 1980-81 amounted to $ 1,014 million as against $ 1,715 million denoting a decline of about 41 per cent. Commitments during 1979-80 also included special financing of about $ 676 million which is not regarded regular aid as these comprised Saudi contribution to Zakat Fund of $ 200

million, UAE grant of $ 53 million, IMF Trust Fund loan of $ 157 million and special credits for PIA Aircrafts amounting to $ 266 million. If special financing is excluded, commitments of regular aid during 1980-81 shows a nominal decline of about 2 per cent ($ 24 million). The commitments by sources during the last three years are shown below in the table :

TABLE 13.1

COMMITMENTS OF FOREIGN ECONOMIC ASSISTANCE

($ million)

Source	1978-79	1979-80	1980-81
1. Consortium	984.4	808.9	698.4
2. Aid committed by Consortium Members outside Consortium Arrangements	77.0	281.0	34.4
3. Non-Consortium (excluding Muslim Countries) ..	219.6	7.7	78.1
4. Muslim Countries	145.3	342.8	77.8
5. IMF Trust Fund	71.2	157.4	16.1
6. Relief Assistance for Afghan Regugees	—	116.7	109.6
Total ..	1,497.5	1,714.5	1,014.4

Note.—The above table excludes short-term commercial credits of one and less than one year's maturity.

Disbursements :

8. Disbursements during 1980-81 were recorded at $ 978 million as compared to $ 1470 million during 1979-80 signifying a decline of $ 492 million or 33 per cent. However, if exceptional financing amounting to $ 635 million in terms of disbursements are excluded, the recorded disbursements of regular aid during 1980-81 showed an increase of $ 143 million or 17 per cent over the preceding year. Out of the total disbursements of $ 978 million, an amount of $ 682 million was utilized for project financing, $ 104 million for import of commodities and $ 16 million as balance of payments support. Import of wheat and edible oil against long-term loans and grants (mainly under PL-480 Title I and Food Aid Convention) was recorded at $ 65 million. Relief assistance for Afghan Refugees in Pakistan amounted to $ 111 million. Table 13.2 shows disbursements by source during the last three years.

TABLE 13.2

DISBURSEMENTS OF FOREIGN ECONOMIC ASSISTANCE

($ Million)

Source	1978-79	1979-80	1980-81
1. Consortium	675.7	616.4	628.6
2. Aid disbursed by Consortium Members outside Consortium Arrangements	15.6	225.8	84.3
3. Non-Consortium (excluding Muslim Countries) ..	140.1	125.0	88.2
4. Muslim Countries	45.8	284.4	50.3
5. IMF Trust Fund	71.2	157.4	16.1
6. Relief Assistance for Afghan Refugees	—	60.8	110.6
Total ..	948.4	1,469.8	978.1

Note.—The above table excludes short-term commercial credits of one and less than one year's maturity.

Debt Relief Arrangements :

9. A significant development during the year was the signing of the Multilateral Agreement or Debt Relief to Pakistan. The Aid to Pakistan Consortium which met in Paris in January, 1981 under the auspices of the World Bank has agreed to reschedule 90% of the payments due to the creditor countries on all ODA debt contracted before July, 1980. The Consortium accord, resulting in an estimated relief of about $ 231 million over a period of 18 months is, however, substantially below the level of $ 280 million per annum that Pakistan had requested from the Consortium.

TABLE 13.3

LOANS AND CREDITS CONTRACTED

($ Million)

Name of the lending country/agency	Pre-1st Plan	1st Plan@ (1955—60)	2nd Plan@ (1960—65)	3rd Plan@ (1965—70)	1970-71	1971-72	1972-73
Consortium*	121.227	496.597	1735.515	2078.595	302.091	81.635	462.381
(*a*) Bilateral	(63.000)	(403.191)	(1336.281)	(1717.510)	(255.616)	(81.635)	(326.606)
(*b*) Multilateral	(58.227)	(93.406)	(399.234)	(361.085)	(46.475)	—	(135.775)
Non-Consortium	—	—	69.601	154.451	475.440	—	32.026
Islamic Countries	—	—	—	—	—	—	—
IMF Trust Fund	—	—	—	—	—	—	—
Total (Loans) ..	121.227	496.597	1805.116	2233.046	777.531	81.635	494.407

*Including outside Consortium arrangements.

@Inclusive of loans received in rupees.

Source: Economic Affairs Division.

TABLE 13.3

LOANS AND CREDITS CONTRACTED

($ Million)

Name of the lending country/agency	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
*Consortium**	571.702	533.532	727.748	703.679	686.911	850.100	949.267	610.238
(*a*) Bilateral	(376.287)	(321.022)	(451.148)	(466.079)	(425.711)	(542.500)	(496.311)	(349.006)
(*b*) Multilateral	(195.415)	(212.510)	(276.600)	(237.600)	(261.200)	(307.600)	(452.956)	(261.232)
Non-Consortium	17.499	223.649	11.559	13.611	25.139	219.608	7.686	71.544
Islamic Countries	610.000	260.000	116.300	210.150	67.665	134.336	289.783	76.822
IMF Trust Fund	—	—	—	—	47.810	71.204	157.350	16.070
Total (Loans) ..	1199.201	1017.181	855.607	927.440	827.525	1275.248	1404.086	774.674

*Including outside Consortium arrangements.

Source: Economic Affairs' Division.

TABLE 13.4

GRANT ASSISTANCE AGREEMENTS SIGNED

($ Million)

Name of the lending country/agency	Pre-1st Plan	1st Plan (1955—60)	2ndPlan (1960—65)	3rd Plan 1965—70)	1970-71	1971-72	1972-73
A. Consortium*	207.865	566.915	573.151	331.592	82.529	27.560	32.384
B. Non-Consortium	7.729	11.240	66.091	50.437	0.192	—	—
C. Islamic Countries	—	—	—	—	—	—	—
D. Indus Tarbela Dev. Fund	—	—	465.927	321.938	12.627	33.948	16.371
Total (Grants) ...	215.594	578.155	1105.169	703.967	95.348	61.508	48.755

*Including outside Consortium arrangements.

Source : Economic Affairs Division

TABLE 13.4

GRANT ASSISTANCE AGREEMENTS SIGNED

($ Million)

Name of the lending country/agency	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
A. Consortium*	56.096	81.260	56.842	139.205	141.271	185.187	140.603	122.587
B. Non-Consortium	—	—	—	—	—	—	—	6.591
C. Islamic Countries	—	7.180	30.480	30.000	10.000	11.000	53.000	1.000
D. Indus Tarbela Development Fund ...	13.317	11.602	14.682	18.000	—	26.033	—	—
E. Relief Assistance for Afghan Refugees ...	—	—	—	—	—	—	116.757	109.582
Total (Grants) ...	69.413	100.042	102.004	187.205	151.271	222.220	310.360	239.760

*Including outside Consortium arrangements.

Source : Economic Affairs Division.

TABLE 13.5

COMMITMENTS OF EXTERNAL ASSISTANCE

($ Million)

Period	Total Assistance	Of which					
		Grants		Loans repayable in non-convertible rupees		Loans repayable in foreign exchange	
		Amount	% share	Amount	% share	Amount	% share
Pre-1st Plan	337	216	64	20	6	101	30
First Plan	1,073	578	54	274	25	221	21
Second Plan	2,757	1,105	40	93	3	1,559	57
Third Plan	2,746	704	26	—	—	2,042	74
Five Years (1970—75)	3,944	375	9	—	—	3,569	91
1975-76	958	102	11	—	—	856	89
1976-77	1,114	187	17	—	—	927	83
1977-78	979	151	15	—	—	828	85
1978-79	1,497	222	15	—	—	1,275	85
1979-80	1,714	310	18	—	—	1,404	82
1980-81	1,014	239	24	—	—	775	76
Total ..	18,133	4,189	23	387	2	13,557	75

Source : Economic Affair's Division

TABLE 13.6

OUTSTANDING EXTERNAL INDEBTEDNESS
(As on June, 30th)

($ Million)

Lending Agency	1975			1976			1977		
	Disbursed and outstanding	Un-disbursed	Total	Disbursed and outstanding	Un-disbursed	Total	Disbursed and outstanding	Un-disbursed	Total
A. Consortium*	4,124.4	733.7	4,858.1	4,651.3	1,006.7	5,658.0	5,030.0	1,115.7	6,145.7
B. Non-Consortium	231.1	690.2	921.3	254.9	628.5	883.4	270.7	630.4	901.1
C. OPEC Sources	440.0	430.0	870.0	823.6	176.1	999.7	1,040.8	167.4	1,208.2
D. IMF Trust Fund	—	—	—	—	—	—	—	—	—
Total ..	4,795.5	1,853.9	6,649.4	5,729.8	1,811.3	7,541.1	6,341.5	1,913.5	8,255.0

*Including outside Consortium arrangements.

Source: Economic Affair's Division.

TABLE 13.6

OUTSTANDING EXTERNAL INDEBTEDNESS
(As on June, 30th)

($ Million)

Lending Agency	1978			1979			1980			1981		
	Disbursed and out-standing	Un-disbursed	Total	Disbursed and out-standing	Un-disbursed	Total	Disbursed and out-standing	Un-disbursed	Total	Disbursed and out-standing	Un-disbursed	Total
A. Consortium* ..	5,626 .5	1,337 .8	6,964 .3	6,027 .2	1,612 .8	7,640 .0	6,572 .3	1,742 .0	8,314 .3	6,615 .6	1,714 .6	8,330 .2
B. Non-Consortium	369 .8	575 .3	945 .1	481 .5	671 .4	1,152 .9	566 .3	581 .4	1,147 .7	560 .9	578 .1	1,139 .0
C. OPEC Source ..	1,144 .4	128 .1	1,272 .5	1,164 .3	229 .4	1,393 .7	1,305 .3	274 .5	1,579 .8	1,287 .0	286 .6	1,573 .6
D. IMF Trust Fund	47 .8	—	47 .8	119 .0	—	119 .0	276 .4	—	276 .4	301 .5	—	301 .5
Total ..	7,188 .5	2,041 .2	9,229 .7	7,792 .0	2,513 .6	10,305 .6	8,720 .3	2,597 .9	11,318 .2	8,765 .0	2,579 .3	11,344 .3

*Including outside Consortium arrangements.

Source: Economic Affair's Division.

14

FEDERAL BUDGET

Prior to 1959-60, fiscal year in Pakistan ran from April to March. In early 1959-60, the Government decided to change the fiscal Calendar to July-June *i.e.* the period which broadly coincides with the crop and trade year. The Federal Budget is divided into two main categories (a) Federal Consolidated Fund which includes all revenues and all loans raised by Government and all moneys received by it in repayment of loans, and (b) all other moneys received by the Government pertaining to public account. The conventional classification into which receipts and payments are divided are (a) Revenue Account (b) Capital Account (c) Debt and Deposits Account, and (d) Remittances Account. The revenue account relates to current revenue receipts and expenditure *i.e.* day to day expenditure on administration, defence, social, beneficent, economic and other activities of the Government which are financed from current revenue derived through taxes, duties and other miscellaneous receipts. The capital budget is designed to create tangible assets which add to the economic potential of the country.

2. During 1980-81 (revised) out of the total gross receipts of Rs. 46,938 million tax revenue accunted for Rs. 37,135 million (79.1%) and non-tax receipts Rs. 9804 million (20.9%). The percentage share of direct taxes in total tax receipts (gross) was 19.2 and that of indirect taxes 80.8. Major heads of taxes revenue are customs duties, federal excise duties, income and corporation tax, wealth and gift tax etc. Non-tax revenue are derived from utility services like post and telegraphs, interest receipts on federal loans, dividends on investment, currency and mint etc. The percentage share of customs duties in the total tax revenue is the highest (38.7%) followed by federal excise duties (28.8%) taxes on income and wealth (19.2%) and sales tax (8.6%) during 1980-81 (revised).

3. With the assumption of increased responsibility by the Government particularly in the field of economic development where fiscal policy of the Government plays a crucial role, the receipts and expenditure of the Federal Government both on revenue and capital account, have increased tremendously.

4. Taxes and duties are the major sources of revenue for the Government. In terms of percentage its share in net receipts of the Federal Government was 81 in 1947-48 which declined to 73 in 1964-65 and to 72 in 1969-70 but improved to 75 in 1977-78. In 1980-81 (revised) it was 74 per cent. With the passage of time, receipts under non-tax heads have also gained importance because of growth of the economy and enormous expansion in utility services department. On the expenditure side, defence and debt services claim the major share. Other importanct items of expenditure are general administration, social services like education, health, community services and subsidies.

5. Revenue budget of the Federal Government has always been surplus before 1971-72 with the exception of one year, *i.e.* 1965-66 but since then the trend has been reversed and gap between revenue receipts and expenditure has widened. The deficit which in 1971-72 was of the order of Rs. 239 million increased to Rs. 647 million during 1980-81 (revised). Sustained efforts however, are being made to bridge this gap by exploring new avenues of revenue collection and curtailment of non-development expenditure. Details of Receipts and Expenditure of the Federal Government can be seen from Table 14.1 and 14.2

Provincial Budgets :

6. Main source of revenue of Provincial Governments is land revenue, irrigation receipts and federal tax assignments *i.e.* the share received by the Provincial Governments in federal export duties on cotton, taxes on sales and pruchases; and taxes on income including corporation tax, but not including taxes on remuneration paid out of the Federal Consolidated Fund. Other important heads are, provincial excise and stamp duties, forests, electricity, receipts under motor vehicles acts, and property tax.

7. As would be seen from table 14.4 and 14.5 the resources at the disposal of Provincial Governments, to finance development schemes and provide increased social welfare and beneficiary services have improved substantially over the years on account of increased federal tax assignments and enlargement of revenue base due to higher stage of development.

Federal Assistance to Provinces :

8. Total removal of inter-reginal and intra-regional disparities among the four federating units of Pakistan is the key objective of strategy followed for economic planning in Pakistan. To realise this objective, federal government has been allocating special grants alongwith their due share from federal tax assignments to the comparatively underdeveloped provinces of Pakistan. As the Provincial Governments have been made responsibile for economic development, in their respective region, huge amounts are put at the disposal of provincial Governments to implement their development programme.

9. The financial assistance to provinces increased from Rs. 69 million in 1948-49 to Rs. 1,085 million in 1964-65 and Rs. 5,117 million in 1977-78 showing an increase of 1472 per cent and 372 per cent respectively. During 1980-81 (Revised) total assistance to provinces is estimated at Rs. 4,415 million. Details regarding Federal Government assistance to provinces are given in table 14.5.

Consolidated Budgetary Position :

10. Efficient and judicious use of resources and streamlining of the operation of official machinery by federal and provincial governments have resulted in greater realisation of revenue and this has led to considerable improvement in overall budgetary position of governments both at Federal and Provincial level. Commensurate with increased revenues the development expenditure have also increased. With the growth in scope and activities of the Government, expenditure on civil administration, social services, economic services, debt services and defence has increased.

11. The most significant development in this sphere is the rapid increase in internally mobilized resources for financing development plans, the ultimate object being reduction and gradual elimination of our dependence on external resources. Table 14.6 shows the consolidated budgetary position of the Federal and Provincial Governments.

PUBLIC FINANCE STATISTICS

TABLE

OVERALL BUDGETARY POSITION

Year (July—June)	REVENUE ACCOUNT				CAPITAL		
	Receipts	Expenditure			Direct including non-plan expenditure	Loans to Local Bodies and expenditure	Development assistance-non-plan Provincial Govts. (net)
		Development	Non-Development	Total			
1947-48 ..	198 .9	—	236 .0	236 .0	8 .1	3 .3	86 .7
1948-49 ..	667 .6	—	647 .0	647 .0	49 .6	5 .4	144 .0
1949-50 ..	885 .4	—	856 .0	856 .0	100 .9	15 .1	208 .1
1950-51 ..	1,273 .2	—	1,266 .2	1,266 .2	70 .6	5 .8	139 .6
1955-56 ..	1,435 .8	—	1,443 .4	1443 .4	379 .3	34 .9	377 1
1956-57 ..	1,341 .4	—	1,330 .7	1,330 .7	407 .2	30 .8	340 .0
1957-58 ..	1,525 .0	—	1,521 .8	1,521 .8	651 .0	78 .0	728 .2
1958-59 (Fifteen months) ..	1,958 .7	—	1,856 .5	1,956 .5	733 .7	88 .1	700 .6
1959-60 ..	1,977 .5	—	1,846 .5	1,846 .5	714 .7	102 .6	668 .6
1960-61 ..	2,122 .5	0 .1	1,894 .1	1,894 .2	686 .4	67 .4	920 .9
1961-62 ..	2,316 .9	50 .1	1,936 .7	1,986 .6	885 .4	73 .0	1,038 .0
1962-63 ..	2,046 .0	65 .6	1,729 .7	1,995 .3	335 .4	29 .4	2,008 .6
1963-64 ..	2,829 .6	121 .3	2,215 .9	2,337 .2	473 .0	46 .2	2,088 .3
1964-65 ..	3,301 .0	215 .0	2,521 .2	2,736 .2	654 .6	85 .6	1,735 .8
1965-66 ..	3,797 .9	296 .8	4,201 .3	4,498 .1	713 .7	184 .0	1,445 .1
1966-67 ..	4,475 .2	165 .5	2,600 .0	2,765 .5	976 .1	771 .4	3,029 .3
1967-68 ..	4 704 .2	292 .8	3,784 .3	4,077 .1	1,237 .3	186 .9	2,813 .3
1968-69 ..	5,774 .1	251 .2	4,119 .8	4,371 .0	1,553 .0	22 .2	2,472 .4
1969-70 ..	6,665 .3	364 .8	4,744 .6	5,109 .4	1,537 .2	14 .9	3,358 .9
1970-71 ..	6,020 .6	—	—	5,751 .3	1,477 .7	13 .1	2,776 .5
1971-72 ..	6,064 .8	117 .0	6,186 .8	6,303 .8	1,267 .9	13 .8	757 .6
1972-73 ..	7,532 .9	357 .2	7,123 .5	7,480 .7	1,508 .4	690 .2	1,348 .4
1973-74 ..	11,047 .5	671 .5	11,053 .1	11,724 .6	1,744 .8	1,489 .2	1,598 .5
1974-75 ..	12,980 .4	1,495 .6	14,644 .0	16,139 .7	2,624 .1	3,439 .7	2,307 .4
1975-76 ..	15,204 .1	2,116 .9	15,496 .6	17,613 .5	2,429 .2	5,154 .7	2,887 .6
1976-77 ..	17,786 .9	2,208 .3	15,953 .3	18,161 .6	3,586 .6	6,057 .7	3,472 .2
1977-78 ..	21,968 .7	2,584 .5	20,197 .4	22,781 .9	3,936 .9	6,982 .3	2,493 .6
1978-79 (Revised)	26,142 .4	4,639 .4	26,108 .8	30,748 .2	4,343 .3	7,982 .8	1,469 .6

14.1

OF THE FEDERAL GOVERNMENT

(Million Rs.)

ACCOUNT				FINANCIAL RESOURCES			
Total	Non-development expenditure	Foreign loans to Semi-Independent bodies local funds etc. for private sector	Cash balance improvement	Total Disbursement	Internal including *ad hoc* treasury bills & cash balance utilisation	External (net)	Total
98.1	22.4	—	—	120.5	120.5	—	120.5
199.0	299.5	—	226.8	725.3	725.3	—	725.3
324.1	740.0	—	—	1,064.1	1,064.1	—	1,064.1
216.0	283.5	—	201.5	701.1	701.1	—	701.1
719.3	(—)84.7	—	—	706.6	683.7	22.9	706.6
778.0	177.4	—	158.2	1,113.6	1,074.6	39.0	1,113.6
1,475.2	125.3	—	—	1,582.5	1,387.8	194.7	1,582.5
1,522.4	104.0	—	443.3	2,069.8	1,226.8	843.0	2,069.8
1,485.9	287.7	—	—	1,773.6	1,090.5	683.1	1,773.6
1,674.7	161.1	—	—	1,835.8	951.8	884.0	1,835.8
1,996.4	96.9	—	37.1	2,130.4	971.2	1,159.2	2,130.4
2,393.4	97.3	—	—	2,490.7	872.2	1,618.5	2,490.7
2,607.5	159.4	—	—	2,766.7	1,453.8	1,313.1	2,766.9
2,426.0	254.5	—	6.5	2,687.0	1,4,26.8	1,260.2	2,687.0
2,342.8	537.8	—	—	2,880.6	1,213.9	1,666.7	2,880.6
4,776.8	312.6	—	39.2	5,128.6	1,506.7	3,621.9	5,128.6
4,237.5	389.6	—	—	5,627.1	1,635.9	2,991.2	4,627.1
4,317.6	837.5	198.2	91.7	5,445.0	3,065.3	2,379.7	5,445.0
4,921.4	1,598.0	426.0	131.3	7,076.7	5,076.0	2,000.7	7,076.7
4,267.3	1,062.5	210.6	—	5,540.4	3,155.3	2,385.1	5,540.4
2,039.3	2,967.3	153.8	176.6	5,336.0	4,407.4	928.6	5,336.0
3,547.4	2,237.8	88.1	—	5,909.3	2,016.8	3,892.5	5,909.3
4,823.5	1,972.2	144.6	—	6,769.3	2,690.2	4,079.1	6,769.3
8,371.2	2,840.1	602.5	405.5	12,215.3	3,082.0	9,133.3	12,215.3
10,471.5	3,903.2	907.1	—	15,281.8	5,063.2	10,218.6	15,281.8
13,116.5	3,119.4	455.1	—	16,691.0	8,674.8	8,016.2	16,691.0
13,412.8	2,151.1	477.4	—	16,041.3	8,55771	7,483.5	16,041.3
13,795.7	5,769.9	600.2	—	20,165.8	9,116.3	11,049.5	20,165.8

TABLE 14.1

OVERALL BUDGETARY POSITION OF FEDERAL GOVERNMENT

(Million Rs.)

Head	1979-80 (Accounts)	1980-81 (Revised)
REVENUE ACCOUNT		
Revenue Receipts	31,898.232	38,310.241
Revenue Expenditure	34,845.094	39,592.523
(*i*) Current Expenditure	29,388.803	31,818.127
(*ii*) Development Expenditure	5,456.291	7,774.396
CAPITAL ACCOUNT		
Capital Development Expenditure :		
(A) **Public Sector :**		
(*i*) Direct Expenditure	3,222.650	5,327.634
(*ii*) Indus Basin Expenditure	1,044.117	1,007.064
(*iii*) Loans to province for repairs of Flood Damage	41.161	—
(*iv*) Loans to semi-independent Bodies	361.357	429.365
(*v*) Expenditure on Federal Autonomous Organisation	6,927.773	7,294.296
Less Likely shortfall	—	—
Total Federal Government	11,597.058	14,058.359
(*vi*) Net Capital Development Assistance to Provinces	3,017.882	1,281.292
Total Public Sector Development Expenditure	14,614.940	15,339.651
(B) **Private Sector :**		
Foreign Exchange Loans to semi-independent bodies, local fund etc.	1,150.733	2,039.683
Total Capital Development Expenditure	15,765.673	17,379.334
Non-Development Capital Expenditure :		
(A) Federal Consolidated Fund	7,264.429	5,434.079
(*i*) Repayment of foreign debt	5,604.332	3,631.231
(*ii*) Loans Non-Development	1,153.835	225.394
(*iii*) Others	506.262	1,577.454
(B) Public Account	1,655.208	1,650.937
(*i*) Deposits (Interest and Non-interest bearing)	1,655.208	1,491.303
(*ii*) Others	—	159.634
Capital Non-Development Expenditure	8,919.637	7,085.016
Total Capital expenditure (Development and Non-Development)	24,685.310	24,464.350
Less—Guaranteed Loans Not passed through Government Account	—941.492	—572.272
Cash Balance Improvement	—	—
Total Disbursement	23,743.818	23,892.078
FINANCING		
Internal Resources including cash balance utilization	10,991.729	11,283.557
External Resources Net	12,752.089	12,608.521
Total	23,743.818	23,892.078

Source : Annual Budget Statement 1980-81.

FEDERAL GOVT. RECIPTS AND EXPENDITURE

TABLE

FEDERAL GOVERNMENT REVENUE

Head	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53
REVENUE RECEIPTS (Net)	199	668	885	1,273	1,448	1,334
Tax Revenue	161	539	718	1,093	1,268	1,098
1. Customs	114	329	422	776	82	659
2. Federal Excise duties ..	14	53	51	67	71	70
3. Corporation Tax and Tax on income ..	27	66	116	133	172	176
4. Sales Tax	—	42	89	71	145	130
5. Others	6	49	40	46	59	63
NON-TAX REVENUE ..	38	129	167	180	180	236
1. Debt Services ..	27	49	61	60	68	65
2. Post Office .. .. 3. Telephone & Telegraph*	2	3	—	6	9	16
4. Currency & Mint ..	—	—	11	10	6	8
5. Civil Administration ..	2	7	8	12	14	18
6. Others including Defence Services ..	11	70	87	92	83	129
REVENUE EXPENDITURE	236	647	856	1,266	1,442	1,320
(*i*) Non-development ..	235	646	855	1,265	1,440	1,279
Debts Services ..	9	21	31	69	66	81
Defence	154	461	625	650	779	783
Administration Departments	42	90	113	134	164	182
Beneficent Departments..	7	19	26	35	46	55
Others	23	55	60	377	385	178
(*ii*) Development.. ..	1	1	1	1	2	41
Overall surplus/deficit on revenue A/c.	—37	21	29	7	6	14

*The figures relating to P.Os. and T&T up to 1961-62 are combined for their being one department up to that period.

14.2

RECEIPTS AND EXPENDITURE

(Million Rs.)

1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
1,111	1,173	1,436	1,341	1,525	1,959	1,977	2,122	2,317
826	899	1,113	1,022	1,048	1,390	1,399	1,572	1,717
361	416	558	470	421	494	562	588	669
132	115	135	145	194	264	285	344	363
181	194	214	211	240	398	320	321	385
86	106	137	132	143	170	170	247	255
66	68	69	64	51	64	62	72	40
284	274	323	319	477	569	578	550	600
75	88	91	87	118	138	72	91	114
14	7	17	18	18	30	29	30	51
19	21	20	27	38	38	36	54	56
26	19	20	25	32	45	35	48	112
150	139	175	162	272	318	406	327	287
1,109	1,173	1,433	1,331	1,522	1,957	1,846	1,894	1,987
1,109	1,173	1,433	1,331	1,522	1,957	1846	1,894	1,937
78	94	94	126	121	169	207	191	216
653	635	918	801	854	997	1,044	1,112	1,109
168	175	195	191	207	295	245	250	307
60	57	69	78	87	112	129	143	110
150	212	157	135	253	383	221	198	195
—	—	—	—	—	—	—	—	50
2	—	3	10	3	2	131	228	330

TABLE

FEDERAL GOVERNMENT REVENUE

Head	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
REVENUE RECEIPTS (NET)	2,046	2,830	3,301	3,798	4,475	4,704	5,774
TAX REVENUE	1,681	1,877	2,404	2,547	3,272	3,358	4,200
1. Customs	736	704	1,030	1,051	1,249	1,266	1,691
2. Federal Excise duties ..	413	606	697	823	1,269	1,558	1,775
3. Corporation Tax & Tax on income	280	309	342	280	330	268	324
4. Sales Tax	244	256	269	346	362	225	355
5. Others	8	2	66	47	61	41	55
NON-TAX REVENUE ..	365	953	897	1,251	1,203	1,346	1,574
1. Debt Services	71	486	452	575	659	745	897
2. Post Office	13	2	—2	—	—4	—2	11
3. Telephone & Telegraph	34	49	49	70	82	89	102
4. Currency & Mint ..	2	107	60	60	67	73	78
5. Civil Administration ..	79	105	142	316	141	136	140
6. Other including Defence Services	166	204	196	230	258	505	368
REVENUE EXPENDITURE ..	1,795	2,337	2,736	4,[illegible]8	3,765	4,077	4,371
(*i*) Non-Development ..	1,729	2,216	2,521	4,201	3,600	3,784	4,120
Debt Services ..	245	314	432	460	35	622	772
Defence	954	1,157	1,262	2,855	2,294	2,186	2,427
Administration Departments	275	340	315	341	354	337	357
Beneficent Departments	85	101	132	124	107	156	169
Others	170	304	380	421	310	483	395
(*ii*) Development ..	66	121	215	297	165	293	251
Overall surplus/deficit on revenue A/c.	251	493	565	—700	710	627	1,403

4.2 (contd.)

RECEIPTS AND EXPENDITURE

(Million Rs.)

1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78
6,665	6,020	6.065	7,533	11,048	12,980	15,204	17,787	21,969
4,799	4,246	4,632	5,893	8,537	10,024	13,915	16,112	16,555
1,677	1,737	1,290	2,469	4,134	4,729	5,164	6,139	8,390
2,192	2,100	1,950	2,085	2,504	3,059	4,323	4,832	5,994
481	222	834	764	818	917	2,160	2,659	862
394	164	218	305	469	707	1,200	1,363	363
55	23	340	270	612	558	1,068	1,119	946
1,866	1,774	1,433	1,640	2,511	2,956	3,795	4,497	5,414
1,057	1,085	699	706	635	977	1,738	2,471	3,530
—11	—18	5	—5	—16	—54	—38	—62	—76
124	84	155	163	162	172	227	241	379
84	96	103	108	160	240	355	372	13
183	212	65	50	52	67	92	80	139
429	315	406	618	1,518	1,554	1,421	1,395	3,075
5,109	5,751	6,304	7,481	11,725	16,139	17,614	18,162	22,782
4,735	5,498	6,187	7,124	11,053	14,644	15,497	15,953	20,197
927	924	1,480	1,299	2,094	2,341	2,972	3,657	4,052
2,749	3,201	3,726	4,440	4,949	6,914	8,103	8,121	9,675
424	528	432	641	836	1,261	1,492	1,643	1,948
234	278	243	178	281	303	383	469	945
401	567	306	566	2,893	3,825	2,547	2,063	3,577
374	253	117	357	672	1,496	2,117**	2,208**	2,585**
1,556	269	—239	52	—677	—3,159	—2,409	—375	—813

**Inclusive of expenditure met from Reserve Funds and Foreign Aid Deposit Account.

TABLE 14.2—(*contd.*)

FEDERAL GOVERNMENT REVENUE RECEIPTS

(Million Rs.)

Head	1978-79 (Accounts)	1979-80 (Accounts)	1980-81 (Revised)
Revenue Receipts :			
(A) Tax Revenue	23,475 .034	30,722 .327	37,134 .628
(*i*) Income and Corporation Tax ..	3,339 .500	5,225 .000	7,000 .000
(*ii*) Wealth and Gift tax	51 .800	75 .900	110 .400
(*iii*) Sales tax	1,934 .700	2,409 .800	3,188 .000
(*iv*) Customs	10,123 .600	12,572 .300	14,384 .900
(*v*) Federal Excise	6,916 .400	9,701 .300	10,709 .000
(*vi*) Surcharges	1,076 .234	705 .026	1,699 .540
(*vii*) Others	32 .800	33 .001	42 .788
(B) **Non-tax Revenue**	**6,386 .142**	**7,225 .654**	**9,803 .864**
1. Income from property of Enterprises ..	4,760 .095	5,528 .162	7,570 .071
(*i*) Railways (net)	—	—	—
(*ii*) Post Offices (Net)	(—)7 .032	(—)39 .338	(—)79 .159
(*iii*) Telegraph and Telephone (Net) ..	843 .067	767 .629	1,313 .542
(*iv*) State Trading	467 .250	539 .720	887 .500
(*v*) Interest	3,237 .786	4,029 .289	5,174 .763
(*vi*) Dividend	219 .024	230 .852	273 .425
2. Receipts from Civil Administration and Other Functions	867 .952	933 .842	1,074 .645
(*i*) Receipts from General Administration	416 .558	429 .360	532 .346
(*ii*) Defence Receipts..	272 .132	227 .187	275 .000
(*iii*) Law and Order	0 .335	0 .899	0 .675
(*iv*) Receipts from Community Services	15 .827	23 .594	27 .421
(*v*) Receipts from social services ..	0 .072	5 .571	1 .365
(*vi*) Receipts from economic services ..	163 .028	247 .224	237 .838
3. Miscellaneous Receipts	758 .095	763 .650	1,159 .148
Total Revenue Receipts	29,861 .176	37,947 .981	46,938 .492
Less Transfer to Provinces	(—)4,136 .041	(—)6,049 .749	(—)8,628 .251
Total (Net)	25,725 .135	31,898 .232	38,310 .241

TABLE 14.2—(*contd.*).

FEDERAL GOVERNMENT REVENUE EXPENDITURE

(Rs. Million)

Head	1978-79 (Accounts)	1979-80 (Accounts)	1980-81 (Revised)
A. **Current Expenditure**	**25,232.619**	**28,936.534**	**31,818.127**
(*i*) General Administration	1,440.337	1,634.040	1,755.141
(*ii*) Defence	10,167.615	12,654.782	15,283.905
(*iii*) Law and order	835.655	806.100	985.715
(*iv*) Community services	611.997	755.349	746.768
(*v*) Social Services	606.565	1,123.434	1,429.94
(*vi*) Economic Services	1,343.275	975.140	936.612
(*vii*) Subsidies	3,031.810	2,660.141	1,716.274
(*viii*) Debt servicing, Investible Funds and grants	7,195.365	8,769.418	8,953.428
(*ix*) Unallocable	—	10.399	10.340
B. **Development Expenditure :**			
(*i*) General Administration	568.562	583.774	735.789
(*ii*) Law and order	21.400	23.344	...
(*iii*) Community Services	185.967	189.736	783.517
(*iv*) Social Services	451.085	750.905	946.918
(*v*) Economic services	353.051	238.488	310.013
(*vi*) Subsidies	1,691.975	2,467.911	2,461.041
(*vii*) Debt Servicing, Investible Funds and Grants	89.127	124.768	180.413
Total ...	3,361.167	4,378.926	5,417.691
Less Amount from Reserve Fund etc. ...	(—) 73.088	(—) 330.501	(—)535.237
Net-development expenditure	3,283.079	4,048.525	4,882.454
Net grants-in-aid to Provincial Governments	1,170.565	1,077.365	2,356.705
Total Development Expenditure met from Revenue	4,453.644	5,044.631	7,139.615
Total Expenditure met from Revenue ...	29,68.263	34,433.434	38,957.742

TABLE 14.2—(*contd.*)

FEDERAL GOVERNMENT REVENUE RECEIPTS AND EXPENDITURE

Note :—Other, under the head Tax Revenue also includes from 1971-72 the following surcharges.

Surcharges

(Million Rs.)

Year		Surcharge on Petroleum Products	Surcharge on Natural Gas	Surcharge on Cement	Price Equalization Surcharge*	Total
1971-72 ...	...	264.6	19.3	13.8	15.9	313.6
1972-73 ...	...	168·6	16.1	15.8	34.1	234.6
1973-74 ...	...	342.6	33.0	15.8	199.5	590.9
1974-75 ...	...	78.6	143.6	—	309.2	531.4
1975-76 ...	...	344.2	295.6	—	344.4	984.2
1976-77 ...	...	423.2	396.0	—	237.2	1,056.4
1977-78 ...	...	285	372	—	221	878
1978-79 (Accounts)	...	462	455	—	159	1,077
1979-80 (Accounts)	...	211	385	—	109	705
1980-81 (Revised)	...	806	525	—	368	1,699

Source : Annual Budget Statement 1980-81, Ministry of Finance.

*Also includes Surcharge on Fertilizer.

TABLE 14.3

REVENUE RECEIPTS AND EXPENDITURE OF WEST PAKISTAN

(Million Rs.)

Head	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59 (15 months)
Tax Revenue	58	91	101	147	185	190	192	205	263	344	361	523
Customs	—	—	1	1	1	—	—	—	—	—	—	—
Excise	—	—	—	—	—	9	11	14	16	20	21	31
Corp and Insurance Tax	1	—	—	—	7	18	20	20	27	27	28	36
Sales Tax	—	—	23	59	70	61	49	61	72	101	100	128
Land Revenue	20	31	32	33	56	49	53	44	76	117	119	179
Others	37	60	45	54	51	53	59	66	72	79	92	149
Non Tax Revenue	122	188	198	213	226	196	233	270	248	269	250	358
Irrigation	43	79	101	78	75	75	68	72	58	49	47	50
Debt Services	4	4	7	6	7	10	12	12	8	6	10	14
Civil Administration	13	7	6	6	8	7	8	8	9	10	16	26
Beneficent Departments	11	20	19	19	27	23	34	28	34	34	53	89
Others	51	78	65	104	109	82	111	150	139	170	124	179
Total Receipts	180	279	299	360	411	386	425	475	513	613	611	881
Revenue Expenditure	241	301	307	330	376	411	447	435	478	548	615	878
(*i*) Non-Development	241	301	307	330	376	411	447	435	478	548	615	878
Irrigation	4	5	8	7	10	10	9	9	20	28	32	41
Debt Services	5	15	19	21	22	31	53	45	56	70	69	84
Civil Administration	76	95	91	92	97	105	107	109	123	137	156	218
Beneficent Deptts.	67	92	95	115	139	150	179	172	201	218	256	406
Others	89	94	94	95	108	115	99	100	78	95	102	129
(*ii*) Development Exp.	—	—	—	—	—	—	—	—	—	—	—	—
Revenue Surplus/Deficit	—61	—22	—8	30	35	—25	—22	40	33	65	4	3

TABLE 14.3 (*contd.*)

REVENUE RECEIPTS AND EXPENDITURE OF WEST PAKISTAN

(Million Rs.)

Head	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
Tax Revenue	425	501	404	702	795	796	941	1,065	1,050	1,128	1,196	1,109
Customs	—	—	—	41	38	21	10	12	7	—	11	—
Excise	23	31	25	43	52	59	74	103	113	117	116	119
Corp & Insurance Tax	29	35	43	102	135	148	195	220	239	250	267	224
Sale Tax	111	168	175	168	220	234	243	256	188	203	176	180
Land Revenue	139	132	—13	145	114	73	114	151	163	167	156	134
Others	123	135	174	203	236	261	305	323	340	391	470	452
Non-Tax Revenue	380	346	679	647	777	1,023	842	735	777	746	737	496
Irrigation	86	107	224	51	75	113	113	58	69	102	109	89
Debt Services	33	45	48	95	149	154	180	188	228	230	222	20
Civil Administration	25	16	17	16	21	19	21	21	25	24	34	37
Beneficent Departments	77	46	46	51	51	49	66	72	93	109	109	100
Others	159	132	344	434	481	688	462	396	362	281	263	250
Total Receipts	805	847	1,083	1,349	1,572	1,819	1,784	1,800	1,827	1,874	1,933	1,605
Revenue Expenditure	654	700	803	1,106	1,483	1,601	1,734	1,779	1,858	1,937	2,246	1,967
Non-Development	654	615	701	947	1,155	1,237	1,408	1,479	1,436	1,528	1,839	1,634
Irrigation	28	23	15	19	13	13	21	14	19	24	27	130
Debt Services	23	29	30	68	241	208	310	374	378	409	492	168
Civil Administration	174	167	199	220	243	263	265	261	282	297	368	323
Beneficent Deptts.	311	290	329	407	430	492	501	563	595	629	749	760
Others	118	106	129	233	228	261	311	267	162	169	203	253
(*ii*) Development Exp.	—	84	102	159	328	364	326	300	422	409	407	333
Revenue Surplus/Deficit	151	147	280	243	89	218	50	21	—31	—63	—313	—362

TABLE 14.4

REVENUE RECEIPTS AND EXPENDIUTRE OF WEST PAKISTAN

(Million Rs.)

Head	1971-72 Punjab	Sind	N.W.F.P.	Baluchistan	Total	1972-73 Punjab	Sind	N.W.F.P.	Baluchistan	Total	1973-74 Punjab	Sind	N.W.F.P.
Tax Revenue*	838	410	175	48	1,471	899	331	181	49	1,460	1,084	485	189
Customs	12	5	4	1	22	66	15	27	8	116	20	7	5
Excise Duties	95	40	26	8	169	102	6	28	8	144	134	55	37
Corporation and Income Tax	209	94	62	18	383	205	36	56	16	313	166	69	60
Sales Tax	149	62	41	12	264	102	39	24	7	7	126	44	32
Land Revenue	109	35	5	3	152	117	43	5	3	168	121	56	6
Others	264	174	37	6	481	307	192	41	7	547	517	254	49
Non-Tax Revenue	283	111	103	17	514	524	90	105	51	770	592	352	193
Irrigation	65	25	2	(—) 2	90	236	19	1	3	259	268	46	(—) 2
Debt Services	10	10	2	—	22	35	4	1	1	41	14	6	2
Civil Administrtion ...	14	9	24	3	50	20	22	24	2	68	24	16	24
Beneficent Departments ...	60	13	6	1	80	55	24	5	1	85	69	41	4
Others	134	54	69	15	272	178	21	74	44	317	217	243	165
Total—Receipts ...	1,121	521	278	65	1,985	1,423	421	286	100	2,230	1,676	837	382
Revenue Expenditure	1,071	463	305	113	1,952	1,895	671	358	214	3,138	2,038	737	413
(*i*) Non-Development ...	926	419	250	112	1,707	1,374	495	283	181	2,353	1,468	604	328
irrigation	11	15	8	4	38	195	17	8	9	229	213	42	11
Debt Services	90	57	11	—	158	180	78	8	18	284	84	30	22
Civil Administration ...	159	88	75	29	351	189	109	90	43	431	241	140	117
Beneficent Departments ...	381	162	81	32	656	457	202	89	37	785	587	274	112
Others	285	97	75	47	504	373	89	88	74	624	343	118	66
(*ii*) Development Expenditure	145	44	55	1	24	501	176	75	33	785	568	133	85
Revenue Surplus/Deficit ...	50	58	(—) 27	(—) 48	33	(—)472	(—)250	(—) 72	(—)114	(—)908	(—)360	(+)100	(—)31

*Federal Tax assignment *Plus* Provincial Tax Receipts.

TABLE 14.4—(*Contd.*)

REVENUE RECEIPTS AND EXPENDITURE OF THE PROVINCES

(Million Rs.)

Head			1974-75					1975-76				
	Baluchistan	Total	Punjab	Sind	N.W.F.P.	Baluchistan	Total	Punjab	Sind	N.W.F.P.	Baluchistan	Total
Tax Revenue	52	1,810	1,496	747	274	270	2,787	2,281	1,102	410	371	4,164
Customs	2	34	107	44	29	9	189	151	57	34	12	254
Excise Duties	14	240	225	94	62	18	399	—	—	—	—	—
Corporation and Income-tax	16	311	229	95	63	18	405	800	300	179	57	1,336
Sales Tax	9	211	207	86	57	17	367	527	197	117	37	878
Land Revenue	3	186	122	57	6	3	188	127	52	7	12	198
Others	8	828	606	371	57	205	1,240	676	496	73	253	1,498
Non-Tax Revenue	171	1,308	827	393	320	118	1,658	989	359	340	168	1,856
Irrigation	(—)4	397	257	(—)2	3	(—)5	253	296	67	11	2	376
Debt Services	—	22	35	(—)2	3	1	37	21	21	10	—	52
Civil Administration	4	69	40	20	9	5	74	54	36	9	4	103
Beneficent Departments	1	114	54	44	6	1	105	52	24	6	1	83
Others	170	795	440	333	299	117	1,189	566	211	304	161	1,242
Total Receipts	223	3,118	2,323	1,140	594	389	4,446	3,270	1,461	750	539	6,020
Revenue Expenditure :	253	3,439	2,889	1,059	656	440	5,044	3,802	1,411	868	519	6,600
(*i*) Non-Development	184	2,584	2,265	929	536	371	4,101	3,124	1,262	704	472	5,562
Irrigation	7	273	333	34	24	12	403	375	135	34	21	565
Debt Services	—	136	147	55	38	39	279	501	155	114	88	858
Civil Administration	48	546	355	218	154	105	832	408	238	161	85	892
Beneficent Department	47	1,020	799	436	192	78	1,505	1,020	519	252	84	1,875
Others	82	609	631	186	128	137	1,082	820	215	143	194	1,372
(*ii*) Development Expenditure	69	855	624	130	120	69	943	678	148	164	48	1,038
Revenue Surplus/Deficit	(—)30	(—)321	(—)566	(+)81	(—)62	(—)51	(—)598	(—)532	(+)50	(—)119	(+)20	(—)580

Head	1976-77					1977-78				
	Punjab	Sind	N.W.F.P.	Baluchistan	Total	Punjab	Sind	N.W.F.P.	Baluchistan	Total
Tax Revenue	2,397	1,213	459	366	4,435	2,818	1,235	518	408	4,979
Customs	—	—	—	—	—	—	—	—	—	—
Excise Duties	—	—	—	—	—	—	—	—	—	—
Corporation and Income-tax	1,099	410	244	70	1,823	1,178	441	262	75	1,956
Sales Tax	582	217	129	37	965	739	276	164	47	1,226
Land Revenue	89	38	6	3	136	51	52	8	6	117
Others	627	548	80	256	1,511	850	466	84	280	1,860
Non-Tax Revenue	965	331	512	256	2,064	1,697	641	755	388	3,482
Irrigation	359	61	8	3	431	380	87	17	13	497
Debt Services	40	2	3	—	45	17	5	6	1	29
Civil Administration	49	52	9	9	119	62	41	18	7	128
Beneficent Departments	44	18	6	2	70	53	28	15	2	98
Others	473	198	482	242	1,395	1,185	480	699	365	2,730
Total Receipts	3,362	1,544	971	622	6,499	4,515	1,876	1,273	796	8,461
Revenue Expenditure :	4,183	1,575	1,088	635	7,481	4,945	1,852	1,393	780	8,970
(*i*) Non-Development	3,413	1,447	863	567	6,290	4,209	1,740	1,188	735	7,872
Irrigation	390	174	42	21	627	419	143	47	37	646
Debt Services	537	220	170	102	1,029	756	224	230	128	1,338
Civil Administration	508	279	182	100	1,069	580	312	219	120	1,231
Beneficent Department	1,133	513	287	113	2,046	1,517	785	393	141	2,836
Others	845	261	182	231	1,519	937	276	299	309	1,821
(*ii*) Development Expenditure	770	128	225	68	1,191	736	112	205	45	1,098
Revenue Surplus/Deficit	(—)821	(—)31	(—)117	(—)13	(—)982	(—)431	(+)25	(—)120	(+)16	(—)510

Head	1978-79 Accounts					1979-80 (Accounts)				
	Punjab	Sind	N.W.F.P.	Baluchistan	Total	Punjab	Sind	N.W.F.P.	Baluchistan	Total
Tax Revenue	3,495	1,534	615	434	6,078	4,709	1,935	881	709	8,234
Customs	—	—	—	—	—	—	—	—	—	—
Excise Duties	—	—	—	—	—	—	—	—	—	—
Corporation and Income-tax	1,458	544	324	93	2,419	2,248	840	500	144	3,732
Sales Tax	845	316	188	54	1,403	1,067	398	237	68	1,770
Land Revenue	197	68	11	7	283	170	69	11	7	257
Others	995	606	92	280	1,973	1,224	628	133	490	2,475
Non-Tax Revenue	2,025	906	982	441	4,354	1,849	899	1,009	431	4,188
Irrigation	378	99	17	3	497	457	95	18	6	576
Debt Services	40	28	4	1	73	15	48	4	1	68
Civil Administration	70	48	17	8	143	100	57	24	14	195
Beneficent Departments	55	34	9	1	99	61	32	16	3	112
Others	1,482	697	935	428	3,542	1,216	667	947	407	3,237
Total Receipts	5,520	2,440	1,597	875	10,432	6,558	2,834	1,890	1,140	12,422
Revenue Expenditure :	5,005	2,232	1,660	870	9,767	6,558	2,834	1,890	1,140	12,422
(*i*) Non-Development	4,264	1,994	1,414	811	8,483	5,340	2,529	1,638	936	10,443
Irrigation	484	216	73	29	802	624	235	85	32	976
Debt Services	620	336	306	160	1,422	1,135.	411	384	194	2,124
Civil Administration	564	305	225	126	1,220	623	358	247	149	1,377
Beneficent Department	1,574	825	427	152	2,978	1,740	877	471	162	3,250
Others	1,022	312	383	344	2,061	1,218	648	451	399	2,716
(*ii*) Development Expenditure	741	238	246	59	1,284	754	276	273	74	1,377
Revenue Surplus/Deficit	(+)515	(+)208	(—)63	(+)5	(+)665	—	—	—	—	—

.Federal Tax assignment *plus* Provincial Tax Receipts.

TABLE 14.4(A)

REVENUE RECEIPTS AND EXPENDITURE OF PROVINCES

(Million Rs.)

Head	1980-81 (Revised)				
	Punjab	Sind	N.W.F.P.	Baluchistan	Total
Tax Revenue	**6089.9**	**2611.7**	**1203.6**	**919.0**	**10824.2**
1. Customs	148.8	55.6	33.1	9.6	247.1
2. Excise Duties	46.6	100.0	9.3	488.5	645.4
3. Income & Corporation Tax ...	3026.8	1129.9	672.4	193.9	5023.0
4. Sales Tax	1597.2	596.4	354.9	102.3	2650.8
5. Land Revenue	154.3	71.4	10.0	5.3	241.0
6. Others	1115.2	658.4	123.9	119.4	2016.9
Non-Tax Revenue	1125.7	358.8	815.0	278.3	2577.8
A. Income from Property & Enterprise	**40.8**	**32.9**	**1.5**	**1.2**	**76.4**
1. Interest	35.8	32.8	1.5	1.2	71.3
2. Dividends	5.0	0.1	—	—	5.1
B. Receipts from Civil Administration & Other Functions	**964.0**	**312.2**	**235.7**	**57.8**	**1569.7**
1. Receipts from General Administration	13.2	3.8	8.3	0.2	25.5
2. Law & Order Receipts	76.5	61.3	18.0	9.2	165.0
3. Receipts from Community Services	40.9	26.4	13.7	4.3	85.3
4. Receipts from Social Services ...	111.8	28.9	10.9	2.9	154.5
5. Receipts from Economic Services	721.6	191.8	184.8	41.2	1139.4
C. Miscellaneous Receipts	**111.5**	**13.7**	**577.8**	**219.6**	**922.3**
D. Miscellaneous Adjustment between Federal and Provincial Government	**9.4**	—	—	—	**9.4**
Total General Revenue Receipts	7215.6	2970.5	2018.6	1197.3	13402.0
Development Revenue Receipts	1317.7	706.2	484.6	198.6	2706.9
Total Revenue Receipts ...	8533.3	3676.7	2503.2	1395.7	16108.9

TABLE 14.4 A —*contd.*

REVENUE RECEPITS AND EXPENDITURE OF PROVINCES

(Million Rs.)

Head	1980-81 (Revised)				
	Punjab	Sind	N.W.F.P.	Baluchistan	Total
Revenue Expenditure:					
A. **Current**	**6186.2**	**2850.0**	**2031.8**	**1181.8**	**12249.8**
1. General Administration ...	479.7	232.4	177.3	73.6	963.0
2. Law & Order	518.6	278.6	197.1	104.9	1099.2
3. Community Services	260.7	124.2	136.2	156.9	678.0
4. Social Services	1895.0	902.4	522.6	234.1	3554.1
5. Economic Services ...	1315.6	467.3	252.5	166.8	2202.2
6. Subsidies	386.3	204.4	261.5	202.5	1054.7
7. Debt Servicing Investible Fund and Grants	1214.7	640.7	484.6	243.0	2583.0
8. Unallocable	115.6	—	—	—	115.6
B. **Development Revenue Expenditure**	**861.0**	**335.8**	**287.8**	**83.3**	**1567.9**
Less Operational Shortfall in Development Expenditure ...	—	—	—	—	—
Total Revenue Expenditure ...	7047.2	3185.8	2319.6	1265.1	13817.7
Revenue Surplus/Deficit ...	1486.1	490.9	183.6	130.6	2291.2

FINANCIAL ASSISTANCE TO PROVINCES BY THE FEDERAL GOVERNMENT

TABLE

FINANCIAL ASSISTANCE TO PROVINCES

(Excluding former

Head	1947-48	1948-49	1949-50	1950-61	1951-52
I. DEVELOPMENT ASSISTANCE					
A. Grants					
(*a*) Cash Grants out of Counter part Funds	—	—	—	—	—
(*b*) Other cash Grants ..	—	14	7	1	16
Fertilizer Subsidy ..	—	—	—	—	—
Flood Rehabilitation ..	—	14	7	—	8
Flood Relief	—	—	—	—	—
Population Planning ..	—	—	—	—	—
Road Development ..	—	—	—	1	16
Tubewells subsidy ..	—	—	—	—	—
Wheat seed Subsidy ..	—	—	—	—	—
Others	—	—	—	—	—
Total-Cash Grants ..	—	14	7	1	—
(*a*) Foreign Exchange Grants ..	—	—	—	—	—
Total Grants	—	14	7	1	16
B. Loans:					
(*a*) Other Cash Loans ..	—	55	57	48	66
(*b*) Foreign Exchange Loans ..	—	—	—	—	—
Total—Loans	—	55	57	48	66
Total—Development Assistance	—	69	64	49	82
II. NON-DEVELOPMENT ASSISTANCE					
A. Grants					
(*a*) Cash Grants of out Counter-part Funds	—	—	—	—	—
(*b*) Other Cash Grants ..	—	—	—	22	—
Flood Relief	—	—	—	20	4
Food Subsidy	—	—	—	—	—
Relief to drought affected areas	—	—	—	—	—
Revenue Deficit ..	—	—	—	—	—
Subvention	—	—	—	—	—
Transferred Institutions ..	—	—	—	—	—
Others Grants ..	—	—	—	2	4
Total-Cash Grants ..	—	—	—	22	4
B. Loans (Cash)					
Total-Non-Development Assistance	—	—	—	22	4
Total Financial Assistance ..	—	69	64	71	86

14.5

BY THE FEDERAL GOVERNMENT

East Pakistan) (Million Rs.)

1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
—	—	—	—	69	42	102
11	56	51	29	63	40	51
1	11	2	9	19	11	5
—	3	—	—	29	—	18
—	—	—	—	—	—	—
—	—	—	—	—	—	—
2	4	20	3	1	1	4
—	—	—	—	—	—	—
—	—	—	—	—	—	—
8	38	29	17	14	28	24
11	56	51	29	132	82	153
3	2	6	72	22	26	32
14	58	57	101	154	108	185
55	135	125	199	134	256	343
—	—	—	—	18	25	17
55	135	125	199	152	291	360
69	193	182	300	306	399	545
—	—	—	—	—	—	—
4	12	19	33	34	50	28
—	—	15	15	—	10	10
—	—	—	14	29	36	14
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
4	12	4	4	5	4	4
4	12	19	33	34	50	28
—	—	—	—	—	—	—
4	12	19	33	34	50	28
73	205	201	333	340	449	573

TABLE

FINANCIAL ASSISTANCE TO PROVINCES

(Excluding former

Head	1959-60	1960-61	1961-62	1962-63	1963-64
I. DEVELOPMENT ASSISTANCE					
A. Grants					
(a) Cash Grants out of counterpart Funds ..	18	113	62	164	181
(b) Other cash Grants ..	51	47	38	50	43
Fertilizer Subsidy ..	8	—	—	31	16
Flood Rehabilitation ..	—	10	12	—	—
Flood Relief	—	—	—	—	—
Population Planning ..	—	—	—	—	—
Road Development ..	6	3	2	2	7
Tubewells Subsidy ..	—	—	—	—	—
Wheat seed Subsidy ..	—	—	—	—	—
Other	37	34	24	17	20
Total-Cash Grants ..	69	160	100	214	224
(c) Foreign exchange Grants ..	39	25	9	18	18
Total Grants ..	109	185	109	232	243
B. Loans					
(a) Other Cash Loans ..	310	389	375	497	777
(b) Foreign Exchange Loans ..	38	53	84	178	176
Total Loans	348	442	459	675	953
Total-Development Assistance	457	627	568	907	1196
II. NON-DEVELOPMENT ASSISTANCE					
A. Grants					
(a) Cash Grants out of Counterpart Funds	—	—	—	—	—
(b) Other Cash Grants ..	14	9	9	9	11
Flood Relief	—	—	—	—	2
Food Subsidy	—	—	—	—	—
Relief to drought affected areas	—	—	—	—	—
Revenue Deficit	—	—	—	—	—
Subvention ..	—	—	—	—	—
Transferred Institutions ..	—	—	—	—	—
Other Grants	9	9	9	9	9
Total Cash Grants ..	14	9	9	9	11
Loans (Cash)	5	—	7	—	3
Total-Non-Development Assistance	19	9	16	9	11
Total Financial Assistance ..	476	636	584	916	1210

14.5 (*contd.*)

BY THE FEDERAL GOVERNMENT

East Pakistan (Million Rs.)

1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
134	114	40	27	26	27	13
83	54	128	95	84	94	35
37	38	60	50	49	67	18
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	10	10	14	—	16	17
14	6	58	31	35	10	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
30	—	—		—	1	—
217	168	168	122	111	121	48
15	22	20	9	8	4	9
232	190	188	131	119	126	57
612	223	394	683	897	1,077	256
227	237	289	347	292	358	14
839	460	683	1,029	1,189	1,435	270
1,071	650	871	1,160	1,308	1,561	327
—	—	—	—	1	—	1
9	11	22	18	18	18	69
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	6	6	6	6
9	11	22	12	12	12	63
9	11	22	18	19	18	70
5	—	—	—	234	—	55
14	11	22	18	253	18	125
1,085	661	893	1,198	1,561	1,579	452

TABLE

FINANCIAL ASSISTANCE TO PROVINCES

Head	1971-72 (Actuals)		
	Punjab	Sind	N.W.F.P.
I. DEVELOPMENT ASSISTANCE			
A. Grants			
(*a*) Cash Grants out of Counterpart Funds ..	23	2	7
(*b*) Other Cash Grants	11	—	
Fertilizer Subsidy	—	—	—
Flood Rehabilitation	—	—	—
Flood Relief	—	—	—
Population Planning	7	—	2
Road Development	—	—	—
Tubewell Subsidy	—	—	—
Wheat seed Subsidy	—	—	—
Others	4	—	—
Total—Cash Grants	34	2	9
(*a*) Foreign Exchange Grants	3	2	1
Total Grants	37	4	10
B. Loans			
(*a*) Other Cash Loans	110	46	74
(*b*) Foreign Exchange Loans	22	4	—
Total—Loans	132	50	74
Loans & Grants to Pak. Autonomous Bodies	—	—	—
Total—Development Assistance	169	54	84
II. NON-DEVELOPMENT ASSISTANCE			
A. Grants			
(*a*) Cash Grants out of Counterpart Funds ..	1	—	—
(*b*) Other Cash Grants	34	8	31
Flood Relief	—	—	—
Food Subsidy	—	—	—
Relief to drought affected areas	—	—	—
Revenue deficit	—	—	—
Subvention	—	—	15
Transferred Institutions	2	2	3
Other Grants	32	6	13
Total—Cash Grants	35	8	31
B. Loans (Cash)			
Total-Non development Assistance ..	35	8	31
Total—Financial Assistance	204	62	115

14.5 (*contd.*)

BY FEDERAL GOVERNMENT

(Million Rs.)

		1972-73 (Actuals)				
Baluchistan	Total	Punjab	Sind	N.W.F.P.	Baluchistan	Total
3	34	21	12	5	5	43
—	14	99	20	19	11	147
—	—	78	13	12	—	104
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	10	7	1	2	—	10
—	—	4	3	4	5	16
—	—	10	3	1	—	14
—	—	—	—	—	—	—
—	4	—	—	—	5	5
3	8	120	32	24	16	192
—	6	5	—	1	—	6
3	54	125	32	25	16	198
96	326	753	341	176	113	1,383
—	26	29	5	—	—	34
96	352	782	346	176	113	1,417
—	494	—	—	—	—	—
99	900	907	378	201	129	1,015
—	1	—	1	—	—	2
14	87	131	83	20	114	348
—	—	—	—	—	1	12
—	—	—	—	—	—	—
—	—	—	—	—	2	—
—	—	—	—	—	95	95
9	24	—	—	15	9	24
—	7	1	1	3	—	5
5	56	130	82	2	7	221
14	88	131	84	20	114	349
—	—	46	23	26	2	98
14	88	177	107	47	116	447
113	988	1,084	485	248	245	2,062

CONSOLIDATED BUDGETARY POSITION OF FEDERAL AND PROVINCIAL GOVERNMENT

TABLE

CONSOLIDATED BUDGETARY POSITION OF

(Excluding Former

Head	1947-48	1948-49	1949-50	1950-61	1951-52	1952-53
A. Revenue Receipts ...	379	947	1,184	1,633	1,859	1,720
(*a*) Tax Revenue ...	219	630	819	1,240	1,453	1,288
(b) Non-Tax Revenue	160	317	365	393	406	432
B. Revenue Expenditure ...	477	948	1,163	1,596	1,818	1,731
Non-Development ...	476	947	1,162	1,595	1,816	1,690
(1) Debts Services ...	14	36	50	90	88	112
(2) Admn.Departments	118	185	204	226	261	287
(3) Beneficent Departments ..	74	111	121	150	185	205
(4) Defence ...	154	461	625	650	779	783
(5) Others ...	116	154	162	479	503	303
Development Expenditure	1	1	1	1	2	41
Overall Surplus/Deficit	—98	—1	21	37	41	—11
C. Capital Receipts						
(1) Internal Resources	57	738	931	788	806	645
(2) External Resources	—	—	—	—	2	73
(3) Use of Cash Balance	140	13	359	42	186	349
Total Receipts ...	197	751	1,290	830	994	1,067
D. Capital Disbursement						
(1) Development Expenditure.	147	253	454	343	530	604
(2) Non-Development Expenditure.	50	272	836	295	464	463
(3) Private Sector ...	—	—	—	—	—	—
(4) Cash Balance Improvement.	—	226	—	202	—	—
Total Disbursement ...	197	751	1,290	830	994	1,067

14.6

FEDERAL AND PROVINCIAL GOVERNMENTS

East Pakistan).

(Million Rs.)

1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
1,536	1,648	1,947	1,954	2,136	2,840	2,782	2,969	3,400
1,018	1,104	1,376	1,366	1,409	1,913	10,824	2,073	2,121
517	544	571	588	727	927	958	896	1,279
1,556	1,608	1,911	1,879	2,137	2,835	2,500	2,509	2,790
1,556	1,608	1,911	1,879	2,137	2,835	2,500	2,509	2,638
131	139	150	195	190	253	230	220	246
275	284	318	328	363	513	419	417	506
239	229	270	276	343	518	440	433	438
653	635	918	801	854	977	1,044	1,112	1,109
258	321	255	258	387	553	367	327	339
—	—	—	—	—	—	—	85	152
—20	40	36	75	—1	5	282	375	610
1,203	932	810	1,165	1,566	1,756	1,384	1,450	1,628
20	42	23	39	195	843	683	884	1,159
129	19	103	164	165	103	224	38	—41
1,352	993	936	1,368	1,926	2,702	2,291	2,372	2,746
926	816	1,023	1,051	1,755	2,087	1,975	2,244	2,515
426	146	—87	159	171	171	316	128	193
—	—	—	—	—	—	—	—	—
—	31	—	158	—	444	—	—	38
1,352	993	936	1,368	1,926	2,702	2,291	2,372	2,716

TABLE

CONSOLIDATED BUDGETARY POSITION OF

(Excluding Former

Head	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
A. Revenue Receipts ..	3,395	4,402	5,120	4,582	6,275	6,531	7,648
(1) Tax Revenue ..	2,383	2,672	3,200	3,489	4,337	4,408	5,328
(2) Non-Tax Revenue ..	1,012	1,730	1,920	2,093	1,938	2,123	2,320
B. Revenue Expenditure ..	2,901	3,820	4,337	6,232	5,544	5,935	6,308
Non Development ..	2,676	3,371	3,758	5,609	5,079	5,220	5,648
(1) Debt Services ..	313	555	640	770	909	1,000	1,179
(2) Admn. Departments	495	583	578	605	615	619	654
(3) Beneficent Department	492	531	624	625	670	751	798
(4) Defence	954	1,157	1,262	2,855	2,294	2,186	2,427
(5) Others	422	545	654	753	591	664	588
Development Expenditure ..	225	449	579	623	465	715	660
Overall Surplus-Deficit ..	494	582	783	—650	731	596	1,340
C. Capital Receipts :							
(1) Internal Resources ..	1,686	2,629	2,372	1,983	3,062	3,484	4,277
(2) External Resources ..	1,618	1,313	1,260	1,666	3,622	2,991	2,379
(3) Use of Cash Balance	—28	21	56	77	—104	—16	217
Total Receipts	3,276	3,963	3,688	3,626	6,580	6,459	6,873
D. Capital Disbursement :							
(1) Development Expenditure	3,227	3,717	3,424	3,056	6,351	5,591	5,334
(2) Non Development Expenditure.	49	246	257	670	190	868	1,249
(3) Private Sector ..	—	—	—	—	—	—	198
(4) Cash Balance Improvement	—	—	7	—	39	—	92
Total Disbursement	3,276	3,963	3,688	3,726	6,580	6,459	6,873

14. 6

FEDERAL AND PROVINCIAL GOVERNMENTS

(East Pakistan) (Million Rs.)

1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79 Account	1979-1980 Account
8,598	7,625	8,050	9,763	14,166	17,426	21,224	24,286	30,430	36,157	44,320
5,995	5,335	6,103	7,353	10,347	12,812	18,079	20,547	21,534	25,417	32,906
2,603	2,720	1,947	2,410	3,819	4,614	3,145	3,739	8,896	10,740	11,414
7,355	7,718	8,256	10,619	15,164	21,183	24,213	25,693	31,752	38,360	45,587
6,574	7,132	7,894	9,447	13,637	18,745	21,053	22,299	28,070	33,715	39,831
1,419	1,092	1,638	1,583	2,230	2,620	3,830	4,636	5,390	8,615	10,893
792	851	783	1,072	1,382	2,093	2,384	2,712	3,179	3,497	3,816
983	1,038	899	963	1,301	1,808	2,258	2,515	3,781	4,197	5,128
2,749	3,201	3,726	4,440	4,949	6,914	8,103	8,120	9,675	10,168	12,655
631	750	848	1,417	3,775	5,310	4,483	4,266	6,045	7,238	7,339
781	586	362	1,142	1,527	2,438	3,155	3,399	3,682	7,645	5,756
1,243	—93	—206	—856	—998	—3,757	—2,989	1,412	—1,323	—2 203	—1,267
6,627	3,338	4,749	3,283	4,474	5,969	8,701	10,272	8,544	15,481	10,348
2,000	2,385	928	3,892	4,079	9,133	10,219	8,016	7,483	10,798	13,694
—122	353	—42	383	213	131	942	2,064	1,530	—3,772	7,005
8,505	6,076	5,635	7,558	8,766	15,233	19,862	20,352	17,557	22,507	31,047
6,205	4,773	2,392	4,494	6,494	10,734	13,213	16,111	15,723	17,959	18,567
1,743	1,093	2,914	2,996	2,127	2,927	5,742	3,786	1,357	3,507	11,299
426	210	154	88	145	603	907	455	477	1,041	1,181
131	—	175	—	—	401	—	—	—	—	—
8,505	6,076	5,635	7,558	8,766	14,665	19,862	20,352	17,557	22,507	31,047

(TABLE 14.6A)

CONSOLIDATED BUDGETARY POSITION OF FEDERAL AND PROVINCIAL GOVERNMENTS

(Million Rs.)

Head	1980-1981 (Revised.)
A. **Revenue Receipts**	54.419
1. Tax revenue	39.330
2. Non-tax Revenue	12.382
3. Development Revenue Receipts	2.707
B. **Revenue Expenditure**	52.776
1. Current	44.068
(i) General Administration	2.718
(*ii*) Law & Order	2.085
(*iii*) Community Services	1.425
(*iv*) Social Services	4.984
(*v*) Economic Services	3.139
(*vi*) Subsidies	2.771
(*vii*) Debt servicing investible funds and grants	11.536
(*viii*) Others	15.410
2. Development Expenditure	8.708
Overall surplus/Deficit	+ 1.643
C. **Capital Receipts** ...	
1. Internal Resources	12.014
2. External Resources	12.609
3. Use of cash balances	4191
Total Receipts	
D. **Capital Disbursement**	28,814
1. Current	8.550
2. Development	18.655
3. Private sector	1.609
4. Cash balance improvement	—
Total Disbursement	28.814

15

TRANSPORT AND COMMUNICATIONS

Pakistan Railways :

The first Railway line in the country was laid in 1861 when Karachi and Kotri situated at a distance of 169 kilometres were linked by the rail. At the time of Independence in 1947, except for a small fleet of 11 small shunting diesel electric locomotives operating in Karachi area, Pakistan Railways had only steam locomotives using coal as fuel. Due to stoppage of coal supplies from India, conversion of these engines to oil-burning was undertaken on emergency basis. Subsequently diesel electric locomotives were introduced which proved more efficient and economical. Later on, in 1970, electric traction was also introduced on 286 kilometres long section of Lahore-Khanewal and it proved to be even more efficient and economical than the diesel electric traction. It is planned to further extend the electric traction up to Samasata from Khanewal covering 119 kilometres and ultimately link Karachi with Lahore.

2. For repair and manufacturing of railway rolling stock, a number of workshops are functioning at various stations. The workshop at Moghalpura is also manufacturing wagons and carriages. A new carriage factory, established at Islamabad went into production in June, 1971 and is presently manufacturing carriages for domestic use as well as for export. During 1980-81, 117 carriages were manufactured, of these 22 coaches were exported. Pakistan Railways is also running two concrete sleeper manufacturing factories, one at Sukkur and another at Jhelum. Besides expanding the factory at Jhelum, four additional factories are being set up which on completion would make the country self sufficient in its requirement of railway sleepers, thereby expediting the track rehabilitation programme.

3. During the last three decades, new trains were introduced and the existing ones strengthened to reduce over-crowding. Special attention was paid to amenities for lower class passengers. A new train, "Shalimar Express" was introduced with effect from 5th November, 1979 to run twice a week between Lahore and Karachi Cantonment covering the entire journey in sixteen hours each way. From 14th June, 1981 this train is doing ten round trips in a month for the convenience of the travelling public.

4. Pakistan Railways which still remains the main carrier of bulk traffic, both passenger and goods is faced with a backlog of replacement of old and worn-out assets, lack of adequate motive power, sectional capacity, marshalling and terminal facilities, inadequate telecommunication and signalling facilities and rehabilitation and improvement of track. In the Fifth Five Year Plan (1978—83) an allocation of Rs. 6,773.36 million has been made with a foreign exchange component of Rs. 3,241.35 million for meeting the aforesaid requirements of Railway and improving its operational efficiency. With the object of enabling the Railway to cater for the increasing demand which will be placed on it as a result of the steady economic development a long term plan has been prepared.

ROADS AND ROAD TRANSPORT

Roads :

5. Roads and road transport is assuming greater importance. At the time of Independence in 1947, the country had a total of 22,238 kilometres of roads, of which 14,108 km. or more than 63 per cent was low type roads. During 1980-81

road kilometrage, inclusive of low type road under District Councils stood at 96,466 km . of which the proporation of high type road accounted for 34,269 km. or 35. 5 per cent.

6. In spite of this improvement, the situation is far from satisfactory. The network of roads especially, in the rural areas leaves much to be desired. There is a huge backlog of metalled roads in the rural areas. Increasing attention, however, is being paid to the extension of road network to the rural areas.

Main Projects :

7. Main projects under roads and bridges included National Highways, Third Highway, RCD Highway and five bridges *viz.* Attock, Nowshera, D. I. Khan-Darya Khan, Ghazi Ghat and Dadu-Moro.

8. Satisfactory progress was made on the on-going improvement works on the National Highways. Roads covered under National Highways are (*i*) Karachi-Lahore-Peshawar-Torkham (Pakistan Highway) 1,794 km., (*ii*) Karachi-Kalat-Quetta-Chamman (Pakistan Highway) 827 kms., (*iii*) Rohri-Sukkur-Jacababad-Sibi-Quetta 404 kms. and (*iv*) D. I. Khan-Fort Sandeman-Quetta 533 kms. Work continued on the Third Highway project which aims at improvement of about 300 kms. of existing roads in provinces so that these can take additional heavier traffic.

Major Bridges :

9. The Bridges at Nowshera and Attock have been completed and opened for traffic. Satisfactory progress was made on the construction of D. I. Khan-Darya Khan Bridge, Ghazi Ghat Bridge and Dadu-Moro Bridge.

Road Transport :

10. The number of registered motor vehicles increased from 21,209 at the time of Independence to 1015,861 during 1979. Road Transport on inter-city routes is mainly in the hands of private operators but public corporations have been formed in the provinces and the northern areas. In order to improve transport facilities in urban areas where private capital is shy of investment the Federal Government set up on 1st February, 1977, two Corporations one for Karachi (Karachi Transport Corporation) and the other for Lahore-Rawalpindi and Islamabad (Punajb Urban Transport Corporation).

PORTS AND SHIPPING

Karachi Port :

11. The on-going Third Project of Karachi Port is scheduled for substantial completion by the end of 1981. Meanwhile all works relating to the Fourth Project have been completed. With the completion of the Third and Fourth Projects, the Ports equivalent dry general cargo handling capacity will increase to an aggreage of 5 to 6 million equivalent dry cargo tons per annum and its oil handling capacity from about 5 to 10 million tons per annum.

12. A master plan for the development of the Port of Karachi has been prepared. It has been established that the Western Bay of Karachi Harbour has the potential for the development of an additional 100 shipping berths. Detailed

investigations and engineering studies have been completed. The berths layout in the new land spur has been planned for handling the containers and other unitised cargo traffic. The construction works at site are expected to commence during 1981-82 and the first set of eight berths, including modern container terminals, will be brought in use during 1986-87 adding about two million tons of dry general cargo capacity to the port.

Port Mohammad Bin Qasim :

13. To relieve the over-congested Karachi Port and carry out the port operations efficiently and quickly the construction of another harbour fully equipped with modern port handling machinery had become absolutely inevitable. So the Port Mohammad Bin Qasim Project, 64 km north of Karachi, was taken in hand. Construction of Pakistan Steel Mills coupled with huge quantum of bulk imports, like wheat, oil, fertilizer and rock phosphate alongwith the proposed establishment of export free zone have further added to the necessity of having another fully developed port in Karachi. The first phase of the construction of the Port is scheduled for completion by the end of 1982-83. Iron and coal berth has been completed and is fully operational. Four multi-purpose berths are also nearing completion.

14. In the second phase of its development, there will be an oil terminal to handle crude oil and bulk material terminal to handle phosphatic rock, sulphur, fertilizer a grain terminal add another steel mill Terminal.

Shipping :

15. The Government nationalised shipping on January 1, 1974, with the take over of 10 private shipping companies and one subsidiary of a private limited company. Two boards of Managements were appointed, one for the management of taken over companies—Pakistan Shipping Corporation, and the other for the National Shipping Corporation which was already in the public sector.

16. With effect from January 1, 1979, Pakistan Shipping Corporation and National Shipping Corporation were merged into one Corporation named Pakistan National Shipping Corporation (PNSC). The Pakistan National Shipping Corporation (PNSC) has a fleet strength of 45 vessels with a total of 608,593 dead weight tons as on June 30, 1981. Pan-Islamic Steamship Company which is in private sector from July 1980 had 5 vessels having a total of 49,158 deadweight tons. The fleet of the Pakistan National Shipping Corporation is deployed on following routes : Pakistan—USA/Canada East Coast, Pakistan-UK/Continent/Middle East/Gulf, Pakistan-Gulf, Pakistan—Red Sea, Pakistan—Adriatic-Black sea, Pakistan—Baltic, and Chartered Operation on various routes.

17. During the Fifth Five Year Plan there is a provision for acquisition of 16 to 21 motor cargo ships and 3 passenger Ro-Ro Ferries. Arrangement for acquisition of 19 motor cargo ships have already been made. The delivery of new ordered ships has commenced and by the end of June 1981, 8 vessels were delivered.

PAKISTAN INTERNATIONAL AIRLINES CORPORATION

18. Pakistan International Airlines Corporation (PIAC) was established in March, 1955 to facilitate the acquisition of the air transport business of the Orient Airways Limited, which was the only airline providing air services since Independence. The Corporation was entrusted to provide and further develop safe, efficient, adequate, economical and properly co-ordinated air transport services on domestic and international routes according to international standards.

19. With the extension of the Copenhagon terminator flight to London during 1980-81, the PIAC is presently operating to 61 Stations—39 on the international and 22 on the domestic net work. As on June 30, 1981 the airline had four boeing 747's, three DC-10-30, four Airbus A300B4-200, six Boeing 707's, six Boeing 720B's, nine Fokker F-27 and three Cessna Trainer aircraft bringing the total number of aircraft to thirty five.

POST OFFICES

20. The number of Post Offices has increased from 3,036 in 1947-48 to 11,238 in 1980-81—8,793 in rural areas and 2,445 in urban areas. Salient features of some of the new improvements incorporated in postal services over the period are as follow :—

1. All letter mail is now lifted by air for all those cities of Pakistan which are connected by air network.
2. Mechanical sorting has been introduced in Lahore and Karachi. Stamp cancelling machines are being used in big offices.
3. Three Postal Training Centres have been established for imparting training to all categories of postal staff.

21. The above measures have greatly enhanced the handling capacity and quality of services being provided by the Post Offices.

TELE-COMMUNICATIONS

22. Tele-communication facilities have increased manifold as would be seen from table 15.8. Until 1962, all trunk traffic was handled manually. For efficient and quick trunk service the first point-to-point as subscriber trunk dialling (STD) service was introduced on Karachi-Hyderabad Section in December, 1962. This facility became very popular and was extended on other 26 routes. A Nation-wide Dialling (NWD) system which links various cities through microwave link has also been introduced. By the end of June, 1981, 49 cities/towns were linked with the facility.

23. Pakistan is linked with 18 countries through satellite communications system. The total number of overseas channel via satellite are 251 out of which 205 are speech circuits and 16 telegraph record circuits. With the setting up of a 300 circuits international gateway exchange at Karachi in July, 1980, the facility of international dialling has become available in Pakistan.

PAKISTAN BROADCASTING CORPORATION

24. At the time of Independence in August 1947, there were only two small mediumwave regional radio stations at Lahore and Peshawar, which covered 7 per cent of the area and 16 per cent of the population of Pakistan. There was neither a national service nor any central newscast system. To give due importance to this vital medium, a comprehensive development programme was launched, and the number of radio stations started increasing rapidly in the country. On December 20, 1972, Radio Pakistan was converted into Corporation and named Pakistan Broadcasting Corporation. There are at present 15 broadcasting stations at Islamabad, Rawalpindi, Lahore, Multan, Bahawalpur, Peshawar, Quetta, Karachi, Hyderabad, Gilgit, Skardu, D. I. Khan, Turbat, Khuzdar and Khairpur.

25. At present PBC has 37 shortwave (SW) and Mediumwave (MW) transmitters with a total radiating power of 3,292 KW; 21 MW transmitters with a total power of 2,131 KW and 16 SW transmitters with a total of 1,161 KW. The

radio shortwave coverage is 100 per cent within the country. Through medium-wave about 95 per cent of the population and 72 per cent of the area is covered. The total number of radio licences issued during 1980-81 was 1.50 million.

PAKISTAN TELEVISION CORPORATION LIMITED

26. Television service introduced in the country in November 1964 is being provided by Pakistan Television Corporation Limited which is being run on commercial lines and its income from advertisement is supplemented by a licence fee of Rs. 200 per set per annum. The Corporation is also receiving an annual subsidy from the Government in respect of deficit on commercially non-viable projects. The total number of TV sets in the country is estimated at 8,00,000 as on June 30, 1981.

27. Pakistan Television (PTV) is telecasting 6-1/2 hours of programmes daily. Of the five main stations three namely, Karachi, Lahore and Rawalpindi-Islamabad are equipped with facilties to record and reproduce programmes in colour (the system being used is PAL) while the other two at Quetta and Peshawar produce black and white programmes. But all the TV Centres have the equipment to cover news in colour. All the 5 programme originating centres and 15 transmitters are linked through two-way national microwave network for the broadcast of TV signals throughout the country. Effective radiated power of television signals have increased from 0.25 KW in 1964 to 1250 KW in 1981 and the area and population coverage by television signals at present is 45 per cent and 80 per cent respectively.

28. An idea of the overall transport and communications situation in the country can be had from the tabulated data in the following pages.

TABLE 15.1

PAKISTAN RAILWAYS

Year		Route Kilometres.	No. of Locomotives	No. of freight wagons	Coaching vehicles No.	Numberof Passengers carried (million)	Freight carried tonnes (million)
1948-49 (April-March)	..	8,553 .55	821	23,815	2,553	72	6
1949-50 ,,	..	8,553 .55	822	23,733	2,535	68	7
1950-51 ,,	..	8,553 .55	845	23,716	2,560	70	8
1951-52 ,,	..	8,553 .55	858	23,769	2,565	80	9
1952-53 ,,	..	8,553 .55	875	24,270	2,585	79	9
1953-54 ,,	..	8,553 .55	882	23,391	2,578	82	10
1954-55 ,,	..	8,580 .51	849	25,110	2,636	86	10
1955-56 ,,	..	8,584 .61	825	24,935	2,672	88	10
1956-57 ,,	..	8,583 .43	819	24,306	2,714	98	11
1957-58 ,,	..	8,583 .43	829	24,538	2,756	104	12
1958-59 ,,	.	8,579 .99	851	25,798	2,823	109	14
1959-60 (July-June)	..	8,571 .80	878	29,854	2,986	121	12
1960-61 ,,	..	8,570 .01	903	29,710	3,055	125	13
1961-62 ,,	..	8,570 .01	940	30,172	3,062	120	14
1962-63 ,,	..	8,570 .01	939	31,753	2,968	123	14
1963-64 ,,	..	8,570 .21	1,011	33,127	3,035	132	14
1964-65 ,,	..	8,583 .74	1,012	33,644	3,175	132	15
1965-66 ,,	..	8,585 .53	1,026	35,048	3,323	123	16
1966-67 ,,	..	8,585 .53	1,045	36,428	3,370	128	15
1967-68 ,,	..	8,585 .53	1,047	36,970	3,341	133	15
1968-69 ,,	..	8,663 .61	1,045	37,252	3,370	136	15
1969-70 ,,	..	8,564 .38	1,076	37,530	3,321	132	13
1970-71 ,,	..	8,566 .54	1,141	37,337	3,306	126	13
1971-72 ,,	..	8,795.07	1,015	37,624	3,159	124	13
1972-73 ,,	..	8,811 .16	993	37,436	3,139	136	13
1973-74 ,,	..	8,811 .20	992	37,339	3,176	141	12
1974-75 ..	..	8,811 .45	992	37,239	3,194	143	14
1975-76 ,,	..	8,811 .45	1,024	36,938	3,111	147	15
1976-77 ,,	..	8,815 .03	978	36,720	2,902	143	14
1977-78 ,,	..	8,815 .03	978	36,496	2,939	149	13
1978-79 ,,	..	8,815 .03	979	36,276	2,926	146	12
1979-80 ,,	..	8,815 .03	1,003	36,235	3,001	144	12
1980-81* ,,	..	8,822 .86	990	36,248	3,032	123	11

* Provisional.

Source :Ministry of Railways.

TABLE 15.2

ROAD KILOMERTRE STATISTICS

(Kilometres)

Years	Total	High type	Low type
1947-48 (15-8-47 to 31-3-48)	22,238	8,130	14,108
1948-49 (April-March)	24,894	8,741	16,153
1949-50 ,, ...	25,303	9,049	16,254
1950-51 ,, ...	26,268	9,895	16,373
1951-52 ,, ...	27,597	10,706	16,891
1952-53 ,, ...	29,411	11,265	18,146
1953-54 ,, ...	29,959	11,977	17,982
1954-55 ,, ...	30,735	12,840	17,895
1955-56 ,, ...	31,253	12,933	18,320
1956-57 ,, ...	31,253	13,255	17,998
1957-58 ,, ...	31,253	13,535	17,718
1958-59@ ,, ...	31,280	13,982	17,298
1959-60 (July-June)	30,854	14,114	16,740
1960-61 ,, ...	32,993	14,203	18,590
1961-62 ,, ...	33,773	14,484	19,289
1962-63 ,, ...	33,800	15,007	18,793
1963-64 ,, ...	34,728	15,197	19,231
1964-65 ,, ...	35,008	16,043	18,965
1965-66 ,, ...	35,456	16,306	19,150
1966-67 ,, ...	30,465	16,824	13,641
1967-68 ,, ...	31,662	17,223	14,439
1968-69 ,, ...	30,576	17,580	12,996
1969-70 ,, ...	31,673	17,483	14,190
1970-71 ,, ...	32,508	18,167	14,341
1971-72 ,, ...	34,741	19,311	15,430
1972-73 ,, ...	35,750	19,895	15,855
1973-74 ,, ...	38,983	22,629	16,354
1974-75 ,, ...	38,632	22,294	16,338
1975-76 ,, ...	49,773	27,111	22,662
1976-77 ,, ...	51,123	31,004	20,119
1977-78 ,, ...	93,415	31,249	62,166*
1978-79 ,, ...	95,222	33,176	62,046*
1979-80 ,, ...	95,660	33,611	62,049*
1980-81 July-March	96,466	34,269	62,197*

Source : Communications Division.

@Figures relate to April 1958 to June 1959.

*(i) Out of 62,166 kilometres of roads, 14,259 Kilometres is under District council low type katcha roads. During 1980-81 total milege under District Council was 48,383.

(ii) Decrease in low type roads is due to conversion from low to high type.

(iii) Upto 1976-77 figures do not include low type roads of District councils.

TABLE 15.3

NUMBER OF MOTOR VEHICLES REGISTERED

Years	Motor Cars, Jeeps and Station Wagons.	Motor Cabs, Taxis	Buses	Trucks	Motor Cycles (2 wheels)	Motor Cycles (3 wheels)	Others	Total
1954 ..	35,310	2,087	6,316	12,694	9,947	1,253	651	68,258
1955 ..	38,723	2,282	6,711	14,004	10,836	1,597	744	74,897
1956 ..	39,945	2,229	7,091	14,505	11,648	1,615	573	77,606
1957 ..	43,561	2,391	7,743	16,329	13,159	1,697	800	85,680
1958 ..	47,847	2,627	17,764	17,129	14,208	2,165	1,134	92,874
1959 ..	51,530	3,356	8,107	18,352	16,257	2,352	1,542	101,496
1960 ..	57,587	4,490	9,268	20,472	18,859	3,986	2,299	116,961
1961 ..	64,736	5,374	10,524	23,618	23,840	5,785	2,857	136,734
1962 ..	69,508	5,816	11,478	25,476	30,287	7,277	3,784	153,626
1963 ..	76,632	6,333	11,986	26,096	40,129	10,195	5,609	176,980
1964 ..	87,578	7,076	12,778	27,954	46,032	12,474	7,267	201,159
1965 ..	99,478	7,938	14,025	31,203	59,896	14,569	8,665	235,774
1966 ..	89,213	7,922	14,393	30,683	66,113	15,153	10,007	233,484
1967 ..	100,316	8,734	16,210	33,718	73,355	15,943	11,043	259,319
1968 ..	109,566	9,386	17,903	35,345	82,417	17,577	14,151	286,315
1969 ..	112,833	10,704	18,808	36,029	89,986	17,407	16,870	302,637
1970 ..	145,746	12,786	21,600	42,003	106,033	19,438	20,133	363,739
1971 ..	153,498	13,472	23,860	44,078	126,564	20,738	21,089	403,299
1972 ..	156,571	14,010	26,583	45,842	138,335	21,485	23,357	426,183
1973 ..	162,022	15,324	29,718	49,345	152,500	22,555	26,352	457,816
1974 ..	173,042	16,127	33,477	53,467	174,597	25,117	33,065	508,892
1975 ..	186,632	17,093	36,370	58,197	206,891	27,088	43,287	575,558
1976 ..	203,451	18,113	38,991	61,864	247,314	29,129	57,542	656,404
1977 ..	208,844	18,418	41,650	56,898	282,578	31,678	75,972	716,038
1978(P) ..	241,711	20,805	43,358	60,424	335,170	34,640	94,086	830,194
1979(P) ..	280,582	23,156	47,618	66,537	428,655	40,476	128,837	1015,861

P=Provisional.

Source : Statistices Division.

TABLE 15.4

PRODUCTION AND IMPORT OF BICYCLES

Years	Imports		Production in No.
	Quantity in No.	Value in 000 Rs.	
1964-65	12,003	671	97,721
1965-66	6,418	449	102,619
1966-67	8,239	618	137,620
1967-68	2,219	198	155,421
1968-69	7,593	575	169,840
1969-70	1,213*	182	161,289
1970-71	3,736	934	159,659
1971-72	58*	39	122,770
1972-73	8	5	211,655
1973-74	56*	39	178,528
1974-75	706	565	210,365
1975-76	115*	92	217,817
1976-77	3	6	211,484
1977-78	3	7	244,675
1978-79	102	47	280,094
1979-80	344*	160	279,375
1980-81 (July-April)		33	286,850

* Partly estimated.

Source : Statistics Division.

TABLE 15.5

CARGO HANDLED AT KARACHI PORT

(Thousand tonnes)

Years	Import	Export	Total
1947-48	2215 .90	1336 .04	3551 .94
1948-49	2225 .04	1246 .63	3471 .67
1949-50	2238 .25	1170 .43	3408 .68
1950-51	2338 .83	1190 .75	3529 .58
1951-52	2731 .00	1093 .22	3824 .22
1952-53	3065 .27	911 .35	3976 .62
1953-54	2706 .62	909 .32	3615 .94
1954-55	2181 .35	906 .27	3687 .62
1955-56	2570 .48	1113 .54	3684 .02
1956-57	3323 .34	1033 .27	4356 .61
1957-58	3448 .30	857 .50	4305 .80
1958-59	2683 .26	982 .47	3665 .73
1959-60	3478 .78	1095 .25	4574 .03
1960-61	3973 .58	1085 .09	5058 .67
1961-62	3544 .82	1134 .87	4679 .69
1962-63	4080 .26	1569 .72	5649 .98
1963-64	4595 .37	1352 .29	5947 .66
1964-65	6373 .37	1557 .53	7930 .90
1965-66	5266 .94	1898 .90	7165 .84
1966-67	6894 .58	2321 .56	9216 .14
1967-68	6507 .48	2294 .13	8801 .61
1968-69	5603 .24	2832 .61	8435 .81
1969-70	6023 .87	3425 .95	9449 .82
1970-71	6379 .46	3207 .51	9586 .97
1971-72	6396 .73	3058 .16	9454 .90
1972-73	7304 .02	3208 .53	10,512 .55
1973-74	7,440 .49	3,045 .89	10,486 .38
1974-75	7,734 .00	2,266 .61	10,000 .61
1975-76	7,569 .98	2,355 .30	9,925 .28
1976-77	7,216 .43	2,374 .33	9,590 .76
1977-78	8,917 .54	2,839 .79	11,757 .33
1978-79	11,987 .38	3,038 .17	15,025 .55
1979-80	11,258 .81	3,398 .47	14,657 .28
1980-81	9,213 .88	2,972 .64	12,186.52

Source : Statistics Division (upto 1972-73) and Communications Division (Ports and Shipping Wing).

TABLE 15.6

PAKISTAN MERCHANT NAVY

Year (End of December)	No. of Vessels	Dead Weight Ton
1947	4	27,347
1948	7	59,414
1949	10	87,780
1950	14	117,470
1951	22	161,700
1952	25	190,363
1953	25	203,656
1954	24	195,256
1955	23	185,242
1956	23	185,242
1957	21	168,932
1958	29	244,922
1959	35	293,256
1960	41	353,945
1961	43	390,212
1962	43	390,212
1963	43	384,449
1964	50	458,304
1965	53	516,137
1966	59	593,826
1967	61	618,758
1968	65	682,913
1969	66	679,692
1970	71	749,046
1971	57	635,149
1972	55	620,669
1973	53	620,734
1974	52	609,574
1975	53	602,043
1976	49	584,196
1977	49	590,992
1978	49	590,992
1979	48	597,141
1980	50	657,751
1981	50	657,751

Source : Ministry of Communications, Ports and Shipping Wing.

TABLE—15.7

PAKISTAN INTERNATIONAL AIRLINES PROGRESS

Operation	1965-66	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80 (P)
Route Kilometres	46,745	90,555	99,155	111,886	113,970	147,095	148,569	164,315	185,369	208,895	218,828
Revenue Kilometres Flown(000)	18,758	30,460	25,670	22,321	23,784	28,629	33,931	36,070	42,909	48,108	50,298
Revenue Hours Flown ..	46,571	59,488	50,016	41,394	44,981	52,542	63,472	68,190	79,453	86,801	91,618
Traffic :											
Revenue Passenger Carried (000)	682	1,230	880	698	925	1,251	1,634	2,129	2,556	2,693	2,853
Revenue Passenger Kilometres (000)	961,648	2,053,087	1,592,625	1,360,714	1,593,558	2,231,928	2,936,259	3,758,504	4,413,547	4,805,837	5,180,272
Available Seat Kilometres (000)	1,369,864	3,473,194	2,825,139	2,395,447	2,926,276	4,027,773	5,263,770	6,439,483	7,319,164	7,968,919	8,981,508
Passenger Load Factor (%) ..	70.2	59.1	56.4	56.8	54.5	55.4	55.8	58.4	60.3	60.3	57.7
Revenue Tonne Kilometres (000)	130,984	253,201	226,540	184,030	215,389	319,357	398,553	492,781	583,503	657,843	706,517
Available Tonne Kilometres (000)	195,400	486,111	420,170	363,568	429,400	667,108	802,910	986,820	1,151,363	1,306,053	1,415,647
Revenue Load Factor (%) ..	67.0	52.1	53.9	50.6	50.2	47.9	49.6	49.9	50.7	50.4	49.9
Financial :											
Operating Revenue (Rs. in Million)	263.60	539.55	512.18	884.87	1,057.41	1,596.13	2,045.39	2,667.33	3,317.65	4,085.49	—
Operating Expenses (Rs. in million)	224.08	511.56	530.14	880.75	1,057.23	1,575.49	1,990.91	2,515.25	3,046.89	3,783.81	—
Operating Surplus (Rs. in million)	44.09	27.99	(17.96)	4.12	0.18	20.65	54.48	152.08	270.76	301.68	—
Presonnel :											
Average No. of Employee ..	9,616	14,368	12,406	11,834	112,930	14,352	16,193	17,776	19,469	21,201	—

TABLE 15.8

POST AND TELE-COMMUNICATIONS

Years	Number of Post Offices			Number of Telegraph Offices			Number of Tele-phones	Number of public call Offices
	Urban	Rural	Total	Urban	Rural	Total		
1947-48 ..	—	—	3,036	7	N.A.	N.A.	12,346	N.A.
1948-49 ..	—	—	3,008	7	"	"	13,302	"
1949-50 ..	—	—	3,104	7	"	"	14,276	"
1950-51 ..	—	—	3,678	7	"	"	15,706	"
1951-52 ..	—	—	4,056	7	"	"	17,981	"
1952-53 ..	—	—	4,409	7	"	"	20,643	"
1953-54 ..	—	—	4,771	7	"	"	24,624	"
1954-55 ..	—	—	5,089	10	"	"	31,287	"
1955-56 ..	—	—	5,473	10	"	"	37,402	"
1956-57 ..	—	—	5,942	10	"	"	43,704	"
1957-58 ..	—	—	6,047	10	"	"	50,501	"
1958-59 ..	—	—	6,051	15	"	"	54,321	"
1959-60 ..	—	—	6,186	16	"	"	60,116	355
1960-61 ..	—	—	6,313	23	"	"	68,042	361
1961-62 ..	—	—	6,492	22	22	44	73,403	370
1962-63 ..	—	—	6,631	22	64	86	81,246	554
1963-64 ..	—	—	6,785	22	114	136	92,061	571
1964-65 ..	—	—	6,996	22	142	164	101,961	573
1965-66 ..	—	—	7,139	22	153	175	110,427	577
1966-67 ..	—	—	7,317	27	153	180	117,249	581
1967-68 ..	—	—	7,582	28	185	213	129,160	645
1968-69 ..	—	—	7,821	28	185	213	140,975	649
1969-70 ..	—	—	8,151	28	206	234	148,962	683
1970-71 ..	1,271	6,635	7,906	28	208	236	160,103	750
1971-72 ..	1,252	6,608	7,860	28	209	237	167,200	815
1972-73 ..	1,289	6,615	7,904	28	211	239	184,103	728
1973-74 ..	1,314	6,835	8,149	28	212	240	201,354	734
1974-75 ..	1,761	6,988	8,749	33	212	245	227,604	742
1975-76 ..	2,017	7,026	9,043	35	219	254	249,300	1,213
1976-77 ..	2,181	7,405	9,586	44	233	277	274,418	1,459
1977-78 ..	2,189	7,699	9,888	44	235	279	294,161	1,559
1978-79 ..	2,295	8,193	10,488	44	235	279	312,247	1,587
1979-80 ..	2,395	8,693	11,088	44	235	279	330,000	1,634
1980-81 ..	2,445	8,793	11,238	44	235	279	369,000	1,689

Source : Communications Division.

Note :—Separate Figures for urban and rural areas were not maintained before 1970-71 in case of post offices and 1961-62 for telegraph offices. Number of telegraph offices shown above are in addition to those located in the Post Offices.

TABLE 15.9

NUMBER OF TV AND RADIO SETS

Years	Number of T.V. Sets	Number of radio sets
1960-61	—	314,405
1961-62	—	420,249
1962-63	—	447,089
1963-64	—	479,837
1964-65	—	562,099
1965-66	—	815,417
1966-67	—	724,955
1967-68	—	701,182
1968-69	74,344	1,139,140
1969-70	92,398	1,100,319
1970-71	116,301	967,72
1971-72	129,023	1,039,365
1972-73	144,924	1,572,185
1973-74	243,205	1,492,808
1974-75	303,663	1,388,916
1975-76	415,033	1,466,472
1976-77	468,896	1,654,163
1977-78	545,878	1,541,165
1978-79	581,896	1,499,000
1979-80	750,000	1,799,914
1980-81	800,000	1,500,000

Source : Pakistan Broadcasting Corporation.
Pakistan Television Corporation

1. No. of Radios is based on number of Licences issued.
2. Data on T. V. sets is available only on calendar year basis.

16

PLANNING

Development Planning in Pakistan was initiated with the launching of the six year development programme (1951-57). The programme was formulated on the recommendations of the Colombo Plan Consultative committee. It envisaged a modest expenditure of Rs. 2,600 million of which Rs. 1,400 million were to be financed from internal and Rs. 1,200 million from external resources. The public sector was allocated Rs. 2,200 million while the private sector was to share only Rs. 400 million. Agriculture was allocated about one-third of the proposed total allocation, transport, power and industry shared between 18 and 20 per cent. The plan, however, remained in operation till 1955. The actutal outlay stood at Rs. 3,000 million, exceeding the plan target by 15 .4 per cent. The plan actually lacked sectoral consistency and was in fact, a list of projects drawn up hastily within a period of only 3 months. The public sector's emphasis during the plan was however, on industrial development. Agriculture was neglected and its production could not cope with the rising demand of the growing population.

The First Five-year plan :

2. The problems created by the depression after the Korean war boom of 1951, necessitated a more scientific and systematically planned approach towards economic development. A National Planning Board was accordingly set up in May, 1953 to prepare a Five-Year Plan. The First Five-Year Plan (1955-60) was launched with a total size of Rs. 10,800 million, Rs. 7,500 million, in the public sector and Rs. 3,300 million in the private sector. The actual expenditure, however, amounted to Rs. 10,590 million of which Rs. 6,927 million and Rs. 3,663 million were incurred in the public and private sectors respectively (for details *see* Table 16.1 and 16.2). Although the growth rate achieved during the Plan period was less than projected, yet the Plan succeeded in laying a well established and sound base for future planning, The annual growth rate during the Plan period was about 2.5 per cent including East Pakistan

The Second Five-Year Plan :

3. The Second Five Year Plan (1960—65) aimed at accelerating the pace of economic development to achieve a growth rate of 24 per cent over the Plan period. The Plan, however, proved to be more than a success and actual increase in national income was over 30 per cent. The target of development expenditure which was only Rs. 23,000 million also surpassed by more than Rs. 4,540 million (excluding an expenditure of Rs. 640 million on public works progrmme). In overall terms the investment level by the end of the Plan period rose to 18.8 per cent of the Gross National product. The contribution of external resources fell from 50 per cent to 40 per cent. of the total development expenditure. The annual growth rate during the Secod Plan Period was over 5 per cent including East Pakistan.

The Third Five-Year Plan :

4. The Third Five-Year Plan (1965-70) was launched within the frame work of long term perspective Plan (1965-85). The Plan could achieve only partial success because of various reasons. The war with India in the very first year of the Plan led to reduction in aid flows. This was followed by two successive years of drought and recurring floods, which had many adverse effects on the implementation of the Plan. The total expenditure (including Indus Basin) amounted to Rs. 42,850 million, indicating a short-fall of 17.6 per cent of the total Plan target of Rs. 52,000 million. In the public sector the investment stood at Rs. 21,595 million against a target of Rs. 30,000 million indicating a short fall of 17 per cent and in the private sector the investment was Rs. 21,255 million against a target of

Rs. 22,000 million showing a slight shortfall. In spite of these difficulties, an annual growth rate of 5.8 per cent. incluing East Pakistan was achieved which meant a little edge over the growth rate of over 5 per cent recorded during the Second Plan, mainly due to emphasis placed on the agriculture sector and agro-based industries in the revised Plan.

5. Table 16.1 and 16.2 give the details of public sector development expenditure from 1947-48 to the end of the 3rd Plan, by sector and executing agencies.

The Fourth Five-Year Plan :

6. The Fourth Plan (1970—75) which started in July, 1970, was more or less suspended in 1972 and thereafter, *ad-hoc* planning on annual basis was restorted to.

Year-to-year Planning:

7. After 1971, a series of Annual Plans and Annual Development programme (ADPs) was continued. This short-term planning process lacked economic consistency and long-term perspective and thus failed to produce the desired results with particular reference to long-term growth. Almost all the Annual Plans implemented during the period 1970-77 failed to achieve their targets in terms of investment, improvement in balance of payments and employment. The growth rate of GNP, touched the lowest of (—0.1 per cent) in 1970-71 but slightly increased to 1.4 per cent. during 1971-72. The poor performance of the economy during these two years was mainly due to abnormal social and political conditions prevailing in the country during that period. The growth rate during 1972-73, however, improved to 7.4 per cent. The subsequent years confronted with international inflation and recession, natural calamities like floods and pest attack on cotton and nationalisation policy which adversely affected the growth of the economy. The rate of growth was 6.9 per cent. in 1975-76 and 2.8 per cent. in 1976-77. The annual average growth of GDP of 3.7 per cent. during 1970-77 had slightly exceeded the population growth. Level of investment in real terms declined over the period from 1970-71 to 1976-77 particularly in the private sector.

8. The present Government which came into power in July, 1977 felt that the short-term planning on annual basis was incapable of producing the desired goals of development. It decided to revert to the medium-term planning and the Fifth Five-Year Plan (1978-83) had been launched on 1st July, 1978.

The Fifth Five-Year Plan :

9. The Fifth Plan with a size of Rs. 210 billion-Rs. 148 billion in the public sector (Rs. 128 billion through normal budget and Rs. 20 billion through credit budget) and Rs. 62 billion in private sector aims at consolidation and overall improvement of economy and broadening the base of development. The Plan lays main focus on the rapid development of agriculture and completion of ongoing industrial projects. It envisages an annual GDP growth of 7 per cent while the per capita income is expected to grow by 4.2 per cent.per annum. The agriculture sector is expected to grow by 6 per cent.per annum over the Plan period, while in the industrial sector a growth rate of 12.0 per cent.per annum is envisaged in large scale manufcturing, 3.0 per cent in small-scale and 10.0 per cent in the industry sector as a whole. The Plan also lays stress on the increased rate of savings which is expected to rise from 7.8 per cent of GDP in 1977-78 to 12.5 per cent in 1982-83.

Annual Plan 1980-81 :

10. The Annual Plan for 1980-81 had a great significance as it marked the mid-year of the 5th Plan and was prepared against the back drop of real gains achieved in different sectors since 1977-78 as well as certain difficulties faced in the financial and external sectors. The Plan, thus, aimed at consolidation of these gains and making unceasing efforts to overcome financial imbalances. The Annual Plan for 1980-81 projected a gross fixed invesement of Rs. 44.4 billion of which Rs. 29.9 billion or about 67 per cent. were earmarked for the public sector investment and Rs. 14.5 billion or 33 per cent. for the private sector. About 75 per cent of the total gross investment was to be financed through local savings as compared to 71 per cent. in 1979-80 and 25 per cent through external resources against 29 per cent in the previous year. The increased allocation in the local resources reflected the greater efforts towards self-reliance for the purposes of investment.

11. As regards the sectoral targets the Annual Plan projected a growth of 6.6 per cent. in GDP. Value added in agriculture sector was to increase by 5 per cent. and in major crops by 5.8 per cent. In manufacturing sector the value added was projected to grow by 10.6 per cent in 1980-81, large scale by 12.0 per cent and small scale by 7.3 per cent.

ANNUAL DEVELOPMENT PROGRAMME 1980-81

12. The public sector development expenditure for 1980-81 was projected at Rs. 26.46 billion as compared to Rs. 21.60 billion in 1979-80, showing an increase of about 22.5 per cent. Of this, the provincial ADPs accounted for Rs. 4.90 billion as against Rs. 4.06 billion in 1979-80; which showed an increase of 20.4 per cent. The main consideration in the formulation of the ADP of 1980-81 was to make a beginning towards clearing the backlog left in the implementation of 1979-80 plan, besides encouraging to achieve the following important objectives :—

(*a*) To provide adequate funds for the on-going projects for their speed/ completion.

(*b*) To accord priority to such foreign aided projects which are in consonance with over all national objectives.

(*c*) Avoidance of over-extension and thin spread of limited resources.

(*d*) To make adequate provision for agricultural inputs to maintain the tempo of agricultural growth.

(*e*) To make a major thrust in the critical energy sector in order to reduce depedence on imports.

(*f*) To increase provisions for social sectors, to clear the backlog as early as possible.

(*g*) To accelerate the development of rural areas.

Sectoral Allocation :

13. The ADP for 1980-81 allocated 26.4 per cent of the total plan outlay to agriculture and water sectors as compared to 27.2 per cent in the revised estimates of 1979-80. The manufacturing sector was allocated 15.28 per cent of the total as compared to 20.14 per cent in revised estimates of 1979-80. The other two main sectors *i.e.* power and transport were assigned 15.8 per cent and 18.5 per cent respectively as against 12.95 and 18.19 per cent respectively in 1979-80.

REVIEW OF THE ANNUAL PLAN 1980-81

14. A review of the ADP 1980-81 reveals that the economy has been able to maintain the tempo of development for the fourth consecutive year and the policies and important reforms introduced by the present regime in different sectors of the economy have produced very encouraging results. The growth in GDP during 1980-81 was recorded at 5.7 per cent; the average being as high as 6.2 per cent during the four years of 1977-81 in contrast with the only 3.7 per cnent average growth during 1970-77. The value added in agriculture registered a growth rate of 4.4 per cent in 1980-81, the major crops output showed an increase of 4.9 per cent. The value added in manufacturing sector recorded an increase of 9.2 percent in 1980-81, while in large and small scale manufcaturing the growth rate stood at 10.0 per cent and 7.3 per cent respectively. All these growth rates are indicative of the fact that the momentum gained by the economy since 1977-78 continued for the fourth year i.e. 1980-81.

Financial Review :

15. According to the reviseed estimates the gross fixed investment during 1980-81 was Rs. 43.8 billion showing a decrease of 1.4 per cent over the original plan projections. Of this Rs. 29.7 billion were invested in the public sector while Rs. 14.1 billion in private sector, registering a decrease of 0.7 per cent and 2.8 per cent respectively over the original plan.

16. The public sector development expenditure from 1970-71 to 1980-81 sector-wise and by executing agencies is given in table 16.3 and 16.4.

TABLE 16.1

SECTOR-WISE DEVELOPMENT EXPENDITURE

(PUBLIC SECTOR)

(Million Rs.)

Sector	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	Total Pre-Plan	1955-56	1956-57	1957-58	1958-59	1959-60	Total 1st Plan
Agriculture	—	—	—	—	—	—	—	—	—	78.00	131.00	163.00	231.00	203.00	806.00
Water	—	—	—	—	—	—	—	—	—	166.60	189.70	231.00	434.00	459.20	1,480.50*
Power	—	—	—	—	—	—	—	—	—	71.40	81.30	99.00	186.00	196.80	634.50
Industry	—	—	—	—	—	—	—	—	—	100.00	119.00	287.00	307.00	205.00	1,018.00
Fuels	—	—	—	—	—	—	—	—	—	21.00	28.00	32.00	43.00	42.00	166.00
Minerals	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transport & Communications	—	—	—	—	—	—	—	—	—	198.00	217.00	361.00	409.00	414.08	1,599.00
Physical Planning & Housing			—	—	—	—	—	—	—	69.00	91.00	120.00	195.00	215.00	690.00
Education & Training ..			—	—	—	—	—	—	—	32.00	48.00	84.00	106.00	110.00	380.00
Health	—	—	—	—	—	—	—	—	—	26.00	28.00	29.00	39.00	23.00	145.00
Population Planning ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Social Welfare	—	—	—	—	—	—	—	—	—	—	1.00	2.00	2.00	3.00	8.00
Manpower and Employment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Peoples Works Programme ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	92.30	209.00	321.90	304.50	524.80	690.80	705.30	776.70	3,625.30	762.00	934.00	1,408.00	1,952.00	1,871.00	6,927.00

Sector	1960-61	1961-62	1962-63	1963-64	1964-65	Total 2nd Plan	1965-66	1966-67	1967-68	1968-69	1969-70	Total 3rd Plan
Agriculture	272.00	306.00	377.00	439.00	462.00	1,856.00	312.51	422.12	572.77	726.21	946.67	2,980.28
Water	484.00	522.00	448.00	598.00	769.00	2,821.00	445.68	592.19	623.76	571.89	604.52	2,838.04
Power	222.00	291.00	238.00	349.00	420.00	1,520.00	409.92	522.08	678.84	919.28	979.55	3,509.67
Industry	137.00	187.00	331.00	297.00	353.00	1,350.00	295.86	384.34	533.39	608.16	509.39	2331.14
Fuels	—	COVERED UNDER POWER SECTOR				—	—	—	—	—	—	—
Minerals	31.00	59.00	56.00	90.00	86.00	322.00	77.08	101.63	120.38	100.20	110.97	510.26
Transport & Communications	385.00	529.00	632.00	759.00	767.00	3,072.00	672.83	845.91	935.73	917.42	940.11	4,312.00
Physical Planning & Housing	185.00	288.00	338.00	428.00	427.00	1,666.00	277.29	332.53	332.78	337.29	356.11	1,636.00
Education & Training ..	79.00	124.00	216.00	236.00	258.00	913.00	137.52	194.48	261.09	302.67	432.56	1,328.32
Health	26.00	46.00	76.00	97.00	136.00	381.00	118.31	100.20	141.23	138.63	139.43	637.80
Population Planning ..	2.00	3.00	3.00	6.00	5.00	19.00	25.02	25.81	54.93	80.32	88.12	274.20
Social Welfare	2.00	5.00	8.00	10.00	16.00	41.00	5.94	6.41	11.39	12.44	5.28	51.46
Manpower and Employment	5.00	6.00	8.00	7.00	8.00	34.00	3.45	7.48	7.33	9.52	21.78	49.56
Peoples Works Programme ..	—	—	—	—	—	—	189.00	170.00	241.00	251.00	285.00	1,136.00
Total	1,830.00	2,366.00	3,707.00	3,316.00	3,707.00	13,950.00	2,970.41	3,705.18	4,514.62	4,975.03	5,429.49	21,594.73

*Break up of Water and Power Sector is not available for 1st plan. It has been worked out at 70 : 30 for Water and Power respectively.

Prepared By :—Finance Division, Economic Adviser's Wing.

TABLE 16.2

DEVELOPMENT EXPENDITURE BY EXECUTING AGENCIES

(Million Rs.)

Year	Centre	West Pakistan	East Pakistan	Total
1947-48	13.40	66.10	12.80	92.30
1948-49	61.30	118.40	29.30	209.00
1949-50	124.20	155.70	42.00	321.90
1950-51	86.50	162.10	55.90	304.50
1951-52	231.90	205.00	87.90	524.80
1952-53	378.50	268.10	144.20	690.80
1953-54	311.00	262.80	131.50	705.30
1954-55	317.00	390.10	69.60	776.70
Total Pre-plan ...	1,423.80	1,628.30	573.20	3,625.30
1955-56	418.00	276.00	68.00	762.00
1956-57	443.00	341.00	150.00	934.00
1957-58	739.00	399.00	270.00	1,408.00
1958-59	935.00	699.00	318.00	1,952.00
1959-60	833.00	640.00	398.00	1,871.00
Total 1st Plan ...	3,368.00	3,355.00	1,204.00	6,927.00
1960-61	553.00	771.00	506.00	1,830.00
1961-62	752.00	893.00	721.00	2,366.00
1962-63	430.00	1,218.00	1,083.00	2,731.00
1963-64	582.00	1,329.00	1,405.00	3,316.00
1964-65	700.00	1,586.00	1,421.00	3,707.00
Total 2nd Plan ...	3,017.00	5,797.00	5,136.00	13,950.00
1965-66	557.47	1,208.08	1,204.86	2,970.41
1966-67	674.56	1397.97	1,632.65	3,705.12
1967-68	721.78	1,736.90	2,055.94	4,514.62
1968-69	816.58	1,843.42	2,315.03	4,975.03
1969-70	757.93	1,914.08	2,757.49	5,429.49
Total 3rd Plan ...	3,528.32	8,100.45	9,965.96	21,594.73

Prepared by.—Finance Division, Economic Adviser's Wing.

TABLE 16. 3

PUBLIC SECTOR DEVELOPMENT EXPENDITURE BY SECTORS

(Million Rs.)

Sl. No.	Sector	Years										
		1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81 Revised
1.	Agriculture	223	225	551	687	956	1,052	1,347	1,421	2,041	3,194	3,340
2.	Water	226	192	351	583	1,038	1,244	1,852	1,556	1,748	1,659	1,616
3.	Power...	503	377	532	907	2,008	2,316	2,422	2,646	2,935	3,255	3,851
4.	Industry	156	78	250	554	958	1,239	3,466	4,593	4,608	4,714	4,476
5.	Fuels and Minerals ...	80	73	404	398	511	951	429	587	664	847	1,660
6.	Transport and Communications ...	533	439	731	1,285	2,148	2,690	3,175	3,158	4,026	3,898	5,004
7.	Physical Planning and Housing. ..	178	188	264	507	791	1,209	1,277	1,273	1,534	1,423	1,923
8.	Education	180	121	224	318	512	708	566	647	772	831	1,193
9.	Health	62	57	96	176	309	629	540	512	648	682	906
10.	Population Planning ...	42	26	27	103	145	189	183	105	114	127	131
11.	Social Welfare ...	9	7	9	13	13	16	18	17	18	25	31
12.	Manpower	2	2	3	35	53	30	23	18	37	49	50
13.	Works Programme/Rural Development	57	37	117	148	129	193	181	23	214	186	458
14.	Indus Basin Tarbela ..	656	816	839	732	1073	851	619	436	1,031	926	1230
15.	Mass Media	—	—	—	—	—	—	—	—	94	97	122
16.	Miscellaneous	41	43	57	60	60	241*	141*	53	95	54	146
	Total ...	2,948	2,681	4,455	6,506	10,754	13,558	16,239	17,150	20,579	21,968	26,137

*Includes Earthquake Reconstruction

TABLE 16.4

PUBLIC SECTOR DEVELOPMENT EXPENDITURE BY EXECUTING AGENCIES

(Million Rs.)

Executing Agency	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-8-0 Revised	1980-81 Revised
Federal Government ..	1,472.5	1,271.8	1,758.0	3,004.7	6,471.1	8,968.1	11,436.1	12,995.6	15,509	17,419	20,271
Indus Basin/Tarbela ..	655.8	816.3	839.0	731.5	1,072.9	840.7	618.9	436.4	1,031	926	1,230
Total (Federal)	2,128.3	2,088.1	2,597.0	3,736.2	7,544.0	9,808.8	12,055.0	13,432.0	16,540	18,345	21,501
Total (Provincial) ..	819.8	592.8	1,857.6	2,769.6	3,210.3	3,749.4	4,183.6	3,718.1	4,039	3,623	4,636
(*a*) Punjab	422.2	335.8	1,014.1	1,415.8	1,508.3	2,068.1	2,179.9	1,965.5	2,187	1,924	2,403
(*b*) Sind	189.0	126.5	490.0	717.7	801.0	802.2	972.3	824.4	951	790	1,078
(*c*) N.W.F.P.	123.0	91.0	213.0	334.8	539.4	569.5	718.7	654.7	641	617	780
(*d*) Baluchistan ..	85.6	39.5	140.5	301.3	361.6	309.6	312.7	273.5	260	292	375
Total Expenditure ..	2,948.1	2,680.9	4,454.6	6,505.8	10,754.3	13,558.2	16,238.6	17,150.1	20,579	21,968	26,137

Source :—Planning Commission.

17

EDUCATION

Pakistan had inherited a system of education which was basically designed to fulfill colonial objectives of its rulers. Soon after independence it was realised that the inherited education system did not suit an independent and progressive nation. Since then efforts to reorganise the education system have been continued. The recent major step taken in this direction is the New Education Policy adopted in 1978. This policy envisages a radical reorgaisation in the education system. The new policy lays emphasis on scientific and technical education with a bias of national ideology and Islamic teachings.

First Five Year Plan Period (1955-60) :

2. First concerted effort to develop this sector was made with the adoption of First Five Year Plan (1955—60). The Plan envisaged making up for the qualitative deficiencies in the educational structure and expansion in the system. An expenditure of Rs. 380 million was incurred during the Plan period (including East Pakistan). The Plan did not accomplish much ; however, the experience gained was significant for future planning. The achievements in almost all the sub-sectors were much below the targets with the exception of some encouraging achievements made in technical education.

3. At the end of the First Plant, there were 17,901 primary schools with 1,890,000 students, 1,974 middle schools with 422,000 students, 1,069 high schools with 149,000 students, 100 secondary vocational institutions with 13,100 students, 126 arts and science colleges with 76,300 students, 40 professional colleges with 12,434 students and 4 universities with 4,092 students.

The Second Five Year Plan Period (1960-65) :

4. The Second Plan (1960-65) recognised the importance of education and training as an integral part of the socio-economic development of the country. It treated investment in this sector as productive and essential for the development of human capital. This was also the central theme of the Report of the Commission on National Education published in 1959 which viewed education as a productive activity and as an investment in human resources essential for the development of a progressive and prosperous welfare state. High priority was assigned to technical and vocational education, and to specialised training in the most essential fields. The Plan also emphasized the importance of the content and quality of various types of education. In the case of lower levels, such as primary and fundamental education, the emphasis was on number and speed, while ensuring certain minimum standards. In the case of advanced and specialised level a greater emphasis was laid on quality.

5. The achievements of the Second Plan include setting up of Polytechnique/Technical institutes, admission of the large number of additional children at primary level, improvement in physical facilities and settig up of new schools at secondary level, and introduction of diversified courses like industrial arts, agriculture, business education and home economics with emphasis on the scientific eduion. At higher education level significant advances were made in the provision of physical facilities including buildings, scientific equipments, laboratories/libraries, study rooms etc.

6. The comprehensive system of merit scholarships for talented students at all levels of education beyond the primary stage was introduced and during the plan period 28,000 internal scholorships were awarded to the meritorious students and 140 overseas scholarships were utilized for college and university teachers.

7. At the end of Second Plan, the number of institutions and enrolement had almost doubled as compared to the last year of First Plan. The number of primary schools was 32,589 with 1 .3 million students, middle schools was 2,701 with 624,000 students, high schools was 1, 622 with 222,000 students, secondary and vocational institutions was 145 with 21,200 students, arts and science colleges was 225 with 127,200 students, professional colleges was 45 with 17,372 students and universities was 6 with 13,221 students.

8. In the field of teacher education, 27 training institutes for primary school teachers were improved. Three new training colleges were opened and another 4 existing training colleges were improved. Two colleges of physical education were provided with new spacious buildings with adequate hostel facilities and 54 existing institutes for primary school teachers were developed. The Plan also provided for in-service training of secondary school teachers.

9. In the field of technical education, 16 polytechnic/technical institutes were developed/established, provincial directorate of technical education was reorganised and strengthened and post graduate courses were introduced in the University of Engineering and Technology, Lahore.

10. The Pakistan Council of Scientific and Industrial Research (PCSIR) accelerated its activities and undertook the implementation of schemes. As a result of its activities, the Council developed many scientific and industrial processes for utilization of indigenous raw material resources.

11. The total cost of development in the education and training sector under the Government financed programme (including PCSIR) amounted to Rs. 456 million.

Third Five Year Plan Period (1965—70) :

12. The Third Plan (1965—70) envisaged broadening the base of education by making substantial expansion at the primary level, accelerating the development base of technical education and improving the quality of education at all levels with emphasis on science subjects. Inspite of many hurdles some achievements were made in the education sector. The number of educational institutions increased at all levels. The programme of scholarships also made good progress.

13. At the end of Third Plan, the number of Primary schools was 41,290 with 3.9 million students, middle schools was 3,560 with 899,000 students, high schools was 1995 with 337,000 students, secondary vocational institutions was 190 with 29,000 students, arts and science colleges was 290 with 175,000 students, professional colleges was 59 with 33,633 students and the number of universities reached seven with 15,475 students.

14. The programme for establishing new teacher training institutes, both for primary and secondary school teachers, were not taken up for implementation as the estimated demand of additional teachers did not come up due to lack of adequate progress at primary and secondary levels.

15. Physical progress in the field of technical education also remained slow. The progress in respect of the development programme of Engineering University at Lahore was slow. The project for the development of Nadir Shaw Eduljee Dinshaw (N. E. D.) Engineering college at Karachi was taken up in the fourth year of the Plan period. Work was completed on the establishment of an engineering college at Hyderabad and the expansion of the engineering college at Peshawar. Work was completed in respect of the on-going projects for the establishment of polytechnics at Multan, Lahore, Leiah, Quetta, Sargodha, Haripur and D. I. Khan. One new polytechnic institute started functioning at Faisalabad. A project for establishing a polytechinc at Sahiwal was approved out of 12 proposed in the Plan. A polytechnic institute for women was established at Lahore. The programme of expansion of the polytechnic institutes at Karachi, Hyderabad, Bahawalpur, Khairpur, Lahore, Rawalpindi, Peshawar and Sialkot also registered satisfactory progress. The programme of establishment of an institute of Printing and Graphic Arts and reorganisation and establishment of vocational institutes progressed slowly, as only five new vocational institutes were established against the target of 35 while the work relating to the reorganisation of 36 existing vocational and industrial schools was completed only partially.

16. The Plan targets in respect of higher education were fully achieved regarding providing scientific equipment and furniture to 20 colleges, introducing B. Sc. courses in the existing 30 colleges and providing new buildings to two existing colleges. Library services were improved in 34 colleges against the target of 55, hostels were provided in 10 colleges against the target of 16 and 7 new degree colleges providing facilities of B. Sc. pass and honours courses, started functioning against 10 new degree colleges proposed in the Plan. The programme also envisaged consolidation of educational facilities at all the existing universities with particular emphasis on expansion and strengthening of the teaching programmes in the departments of Mathematics and Science. Plan also made provision of funds for the University at Islamabad.

17. The number of students, receiving scholarships reached 28,831, while 46 teachers were sent abroad for advanced foreign training in their special fields. Besides, Merit Scholarship Scheme and Central Overseas Scholarship Scheme started during Second Plan were also continued during the Third Plan.

18. The education and training sector was originally allocated an amount of Rs. 1,328 million in the Third Plan. The allocation was, however, reduced to Rs. 988.2 million due to financial constraints. The rate of implementation remained very slow during the first four years and an expenditure of Rs. 354.53 million could be incurred. However, in the last year of the Plan Rs. 182.29 million were spent and the total utilisation stood at Rs. 536.82 million, showing an achievement of 54.32 per cent of the revised allocation.

1970--78 Period :

19. The Fourth Plan (1970—75) could not be implemented in the changed circumstances in Pakistan. The long term planning was suspended and in its place annual plans were adopted. In the years 1970—72, developmental expenditure on education was severely curtailed alongwith other developmental outlays. The average annual expenditure during these two years amounted to Rs. 150 million only. The expenditure on education picked up during the years 1972—78 due to nationalization of educational institutions and amounted to Rs. 11,325.2 million of which Rs. 3,011.8 million was developmental and Rs. 8,313.4 million non-developmental.

20. In 1972, education up to secondary level was also made free of fees. In the same year, all privately managed primary, middle and high schools as well as intermediate and degree colleges were nationalized. To meet the increasing demand and to remove regional disparities, many new schools and colleges were opened during this period. New universities were established at Quetta, D. I. Khan, Multan and Bahawalpur. A second campus of Sind University was opened at Khairpur. Legislations were enacted by the Government of Sind to raise the status of the Engineering college, Jamshoro, and the N. E. D. Engineering College, Karachi, to that of university. To utilize distant teaching techniques for the education of those who can neither leave their homes nor discontinue work in order to pursue studies, the Allama Iqbal Open University was established at Islamabad. For the advancement of knowledge and promotion of research, Centres of Excellence were created in universities in selected scientific disciplines and special arrangements were made for procurement and supply of books specially those required by college and university students. Institutional arrangement was made to undertake revision of curricula at all levels so as to bring them in line with the needs of students and national economy. A new stream of agro-technical subjects comprising Industrial Arts, Agriculture, Commerce and Home Economics was designed for secondary schools. These courses are being introduced gradually both at the middle and high stages of secondary schools. Seven polytechnic institutes were raised to the status of colleges of technology to provide facilities of education at B. Tech. (Bachelor of Technology) level.

Fifth Five-Year Plan Period (1978—83) :

21. The Fifth Plan started with a benchmark of 53,853 primary schools, 5,026 middle schools, 3,258 high schools, 242 secondary vocatioal institutions, 455 arts and science colleges, 95 professional colleges and 15 universities. The enrolement in the respective institutions was 6.1 million, 1.3 million, 522,000 ; 33,000; 229,000; 62,113 and 25,526. Fifth Plan was prepared with the aim of not only increasing the number of institutions to provide greater opportunities for the new entrants but also to introduce greater bias of national and Islamic ideologies in education. New National Education Policy was announced in October, 1978. The main objectives of the policy are :

(1) To relate education to Islamic ideology and national goals ;

(2) To identify, recognize and strengthen the indigenous structures, institutions and elements of education in our society and suitably strengthen them to perform their new role in the country ;

(3) To make planning and management of education participatory in nature so that the masses of the country are involved ; and

(4) To link education with productivity leading to improvement of the life style of the masses.

22. The Fifth Five Year Plan (1978—83) allocated a sum of Rs. 10,281.3 million for the eductaion and training programme. The Plan proposes to increase the per capita expenditure on education from Rs. 43 in 1977-78 to Rs. 88 in 1982-83. In the same year, expenditure on education as a proportion of G. N. P. will go up to 3.1 per cent. The Plan marks a fundamental reordering of national priorities in favour of primary education and vocational and technical training. To achieve this objective an amount of Rs. 3,049.7 million has been allocated on the development of primary education in the Plan as against Rs. 305 million during 1972—77. During the first three years of the plan, an amount of Rs. 2,739.5 million or 28 per cent of the allocation was utilized. Of this Rs. 772.1 million was spent in 1978-79, Rs. 810.9 million in 1979-80 and Rs. 1,156.5 million during 1980-81. The total

development and non-development expenditure on education and training amounted to Rs. 3,225.4 million in 1978-79, Rs. 3,640.6 million in 1979-80 and is estimated at Rs. 4,375.1 million in 1980-81.

Progress during the year 1980-81 :

23. During 1980-81, an amount of Rs. 1,254.1 million was allocated for development programmes under the education and training sector (including Sports and Culture Division). This amount is higher by 40.7 per cent over the A. D. P. allocation of Rs. 891.13 million in the preceding year. An important aspect of development strategy is its stress on the completion of on-going programmes. At the end of the year a sum of Rs. 1,156.5 million was utilized, giving a utilization percentage of 92 per cent. The highest utilization of 104 per cent was in Sind province.

24. During the year, 1,984 primary, mosque and mohallah schools were opened, 542 primary school buildings were constructed, 880 primary schools were improved or expanded and 171 teacher residences were constructed for female teachers in rural areas. A number of 194 primary schools were upgraded to middle school level and 106 middle schools were upgraded to high school level. Besides continuing the process of upgradation of polytechnic institutes into technical colleges, facilities for introduction of new technologies at polytechnic institutes were created. The work was taken up on the establishment of Mehran University of Engineering and Technology, Jamshoro, Bahauddin Zakaria University, Multan, Islamia University, Bahawalpur and Gomal University, D. I. Khan. The research oriented Centres of Excellence, Area Study Centres and Pakistan Study Centres were further developed and research grants and scholarships were awarded to university/college teachers and Ph. D. students to conduct research.

25. The number of total educational institutions increased to 68,198 from 66,475 in 1979-80 and total enrolment reached to 9.02 million from 8.94 million last year. Literacy rate is estimated to have increased to 24.3 per cent from 21.7 per cent in 1972. The output of educated persons also rose to 340 thousand persons from 321 thousand persons in the preceding year.

26. The number of educational iustitutions, enrolement in educational institutions, output of educated persons and consolidated expenditure on education and training is given in the tables 17.1, 17.2, 17.3 and 17.4 respectively.

TABLE 17.1

NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL AND SEX

Year	Primary Schools		Middle Schools		High Schools		Secondary Vocational Institutions		Arts and Science Colleges		Professional Colleges		Universitites
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
1947-48	8,413	1,549	2,190	153	408	64	46	18	40	5	—	—	2
1948-49	9,073	1,564	2,174	154	411	70	49	20	42	6	19	2	2
1949-50	9,411	1,586	2,134	172	469	89	59	25	46	9	19	2	2
1954-55	14,162	2,474	1,517	196	747	148	90	40	77	19	24	1	4
1959-60	17,901	3,260	1,974	281	1,069	203	100	35	126	32	40	5	4
1960-61	20,909	4,057	1,798	275	1,172	225	109	47	131	33	42	5	4
1961-62	24,930	5,350	2,011	364	1,300	255	103	40	146	37	39	5	6
1962-63	28,338	6,715	2,237	423	1,349	275	103	41	159	39	41	5	6
1963-64	30,950	7,416	2,379	462	1,459	308	117	38	190	51	43	5	6
1964-65	32,589	8,021	2,701	589	1,622	367	145	58	225	62	45	5	6
1965-66	32,930	8,272	2,785	626	1,658	376	113	39	228	63	48	5	6
1966-67	34,678	8,535	2,970	659	1,776	423	142	62	258	76	48	5	7
1967-68	36,453	9,324	3,018	719	1,827	458	165	72	251	76	50	50	7
1968-69	38,870	10,250	3,290	790	1,910	490	180	80	270	80	58	5	7
1969-70	41,290	11,170	3 .560	860	1,995	520	190	90	290	85	59	5	7
1970-71	43,710	12,097	3,822	928	2,063	529	206	97	314	87	73	6	7
1971-72	45,854	13,290	4,110	1,038	2,247	571	284	134	338	93	73	6	8
1972-73	49,580	14,437	4,406	1,163	2,498	621	391	152	334	89	76	7	8
1973-74	50,574	15,051	4,586	1,223	2,742	718	314	150	354	95	81	8	8
1974-75	51,744	15,673	4,713	1,266	2,898	770	301	141	361	96	83	8	10
1975-76	52,800	15,829	4,783	1,307	3,047	806	290	115	404	107	91	8	12
1976-77	53,162	15,941	4,990	1,352	3,214	860	239	81	433	116	95	8	12
1977-78*	53,964	16,246	5,026	1,358	3,258	878	242	82	435	126	95	8	14
1978-79*	55,442	16,500	5,158	1,390	3,361	900	245	83	438	126	95	8	15
1979-80*	56,920	16,754	5,290	1,422	3,464	922	248	84	439	130	99	8	15
1980-81*	58,398	17,008	5,422	1,454	3,567	928	251	85	440	131	100	8	20

*Estimated.

Source : M/Education.

TABLE 17.2

ENROLMENT IN EDUCATIONAL INSTITUTIONS IN PAKISTAN BY KIND, LEVEL AND SEX

Year	Primary Stage (I—V) (Thousands)		Middle Stage (VI—VIII) (Thousands)		High Stage (IX—X) (Thousands)		Secondary Vocational (Thousands)		Arts & Science Colleges (Thousands)		Professional Colleges		Universities	
	Total	Female	Total	Female	Total	Fzmale	Total	Female	Total	Female	Total	Female	Total	Female
1947-48	770	110	221	21	58	7	4	2	14	1	4,368	327	644	56
1948-49	830	120	225	24	59	7	4	2	17	1	4,517	349	690	64
1949-50	920	120	250	29	67	9	5	2	21	2	4,925	394	737	71
1954-55	1,550	240	332	45	109	15	11	3	43	6	8,082	833	1,998	49
1959-60	1,890	370	422	63	149	23	13	3	76	12	12,434	1,851	4,092	778
1960-61	2,060	430	449	67	160	27	15	6	71	12	12,921	1,929	5,084	1,009
1961-62	2,270	480	461	75	161	23	19	8	72	14	13,950	2,265	7,214	1,335
1962-63	2,490	530	491	82	209	38	20	8	94	18	14,906	2,470	9,464	1,679
1963-64	2,750	570	576	119	217	54	23	7	119	21	17,677	2,661	9,049	1,945
1964-65	3,050	700	624	128	222	46	21	6	127	24	17,372	2,990	13,221	2,730
1965-66	3,160	750	689	149	244	49	21	5	139	28	19,061	2,919	13,420	2,979
1966-67	3,380	790	763	169	273	55	22	7	148	32	19,840	3,121	12,807	2,522
1967-68	3,750	990	793	164	275	50	24	8	153	34	25,000	3,500	15,903	2,993
1968-69	3,830	1,010	846	170	296	56	24	8	159	40	30,081	3,899	13,087	2,665
1969-70	3,910	1,030	899	175	337	62	29	9	175	45	33,633	4,219	15,475	3,298
1970-71	3,960	1,040	933	178	336	67	35	10	199	50	37,245	4,612	17,057	3,753
1971-72	4,210	1,110	963	196	366	71	40	12	186	49	36,182	4,970	17,507	3,878
1972-73	4,460	1,270	1,041	232	390	81	59	16	186	47	37,596	5,450	18,678	4,212
1973-74	4,810	1,370	1,100	250	420	90	40	14	195	53	42,483	6,768	19,091	4,184
1974-75	4,980	1,430	1,200	280	460	100	42	14	208	58	44,734	8,086	21,395	4,500
1975-76	5,240	1,550	1,250	290	490	110	35	9	211	58	56,140	8,785	22,772	5,121
1976-77	5,530	1,590	1,300	300	510	110	33	8	223	66	56,932	9,541	24,149	5,742
1977-78*	5,930	1,710	1,290	280	510	110	33	8	229	70	62,113	10,766	49,942	7,978
1978-79*	6,170	1,810	1,350	300	520	110	34	9	235	74	67,296	11,986	51,990	13,375
1979-80*	6,570	1,960	1,430	330	540	120	35	10	241	78	72,479	13,206	57,019	14,931
1980-81*	6,590	1,970	1,450	340	560	130	37	11	243	79	77,662	14,426	62,048	16,487

*Estimated.

Source : M/Education.

TABLE 17.3

OUTPUT OF EDUCATED PERSONS

Year	Matriculates (000)		Intermediate (000)		Degree (all subjects)		M.B.B.S.		Master (all subjects)		L.L.B.
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
1960-61	55.4	6.7	14.6	2.5	9,156	1,500	559	131	1,305	228	487
1961-62	50.9	7.6	15.1	3.0	9,713	(1,811	532	140	1,930	417	85
1962-63	72.5	11.5	27.1	4.9	12,494	2,085	607	194	2,437	576	880
1963-64	69.7	10.9	24.8	4.3	13,628	2,352	638	179	2,976	708	1,039
1964-65	72.1	11.5	30.3	6.0	16,250	3,278	625	164	3,931	940	1,134
1965-66	83.5	14.1	31.3	5.7	20,259	3,826	736	190	4,631	1,062	1,358
1966-67	98.0	18.1	39.8	7.0	20,426	4,425	440	120	6,000	1,638	1,204
1967-68	103.5	19.4	49.4	10.2	23,404	4,917	608	118	5,976	1,525	839
1968-69	114.8	25.3	51.6	10.8	23,922	5,629	752	190	6,334	1,707	1,080
1969-70	136.1	29.0	62.5	12.5	37,539	8,099	1,002	261	8,493	1,863	1,661
1970-71	139.9	31.2	59.2	13.3	35,185	9,526	942	211	7,343	1,793	1,813
1971-72	144.7	34.3	54.4	13.3	39,052	9,600	1,217	296	8,061	1,973	2,266
1972-73	145.9	35.9	57.8	14.2	34,327	8,376	774	205	9,504	2,333	2,918
1973-74	153.0	36.4	59.2	15.6	42,593	11,271	751	153	9,550	2,285	1,999
1974-75	154.2	38.5	51.8	14.4	47,912	11,669	1,054	276	11,145	2,339	2,041
1975-76	145.0	40.0	55.2	16.1	43,919	11,195	574	155	10,646	2,500	1,372
1976-77	164.2	42.5	60.2	18.9	37,749	9,722	1,880	375	8,015	2,192	2,688
1977-78*	142.1	38.9	48.4	14.9	41,669	8,497	1,940	441	7,332	2,045	3,302
1978-79*	176.3	51.5	58.4	18.3	45,589	9,722	2,000	507	8,015	2,192	3,916
1979-80*	184.0	54.1	72.0	22.3	49,509	10,947	2,060	573	8,698	2,339	4,530
1980-81*	191.7	56.7	78.1	27.4	53,429	12,172	2,120	639	9,381	2,486	5,144

Note: (*i*) Data for 1972-73 and onward have been revised.
(*ii*) The data is collected on the basis of a calendar year (1972-73 means 1972).
*Estimated, except the data of Matriculates and Intermediate for the years 1977-78, 1978-79 and 1979-80.

Source: 1. M/Education.
2. University Grants Commission.

TABLE 17.4

CONSOLIDATED GOVERNMENT EXPENDITURE ON EDUCATION AND TRAINING BY LEVELS

(Millon Rupees)

Year	Primary Education	Secondary Education	Teacher Education	Technical Education	College Education*	University Education£	Scholar-ships	Miscella-neous@	Total Expen-diture	Develop-ment Ex-penditure	Non-Deve-lopment Expenditure
1972-73	339.62	172.87	17.28	38.57	95.58	82.71	30.30	78.73	855.66	232.39	623.27
1973-74	435.88	234.05	23.46	46.50	129.94	112.11	34.59	136.74	1153.28	312.18	841.10
1974-75	657.87	339.64	31.87	70.11	204.55	142.58	47.29	281.52	1775.43	522.33	1253.10
1975-76	859.84	471.59	42.54	59.70	296.29	242.64	55.87	247.31	2275.79	715.61	1560.18
1976-77	824.28	494.09	37.71	58.13	282.22	241.88	59.24	302.00	2299.56	573.51	1726.05
1977-78	1116.91	660.27	62.56	69.81	351.18	388.22	64.16	252.36	2965.48	655.77	2309.71
1978-79	1209.44	789.89	75.04	92.13	406.39	340.41	67.99	286.46	3267.68	783.83	2483.85
1979-80	1368.34	864.47	84.34	131.25	416.22	419.22	63.49	350.00	3697.34	830.07	2867.27
1980-81	1659.01	1062.12	118.75	116.22	488.44	532.18	77.43	399.10	4453.25	1193.05	3260.20

*Expenditure on Medical Colleges is not included.
£Includes expenditure on general, agricultural and engineering universities.
@Include expenditure on sports and culture and exclude expenditure on Women Division.

Source: Planning and Development Division

18

HEALTH

Since Independence, there has been considerable improvement in the availability of health services in Pakistan. It has been achieved by large scale investment in health services, both preventive and curative along with expansion of medical education facilities for doctors and para-medical staff.

2. The medical facilities inherited by Pakistan in 1947 were far from satisfactory. In 1948, there were only 1,360 doctors and 14,117 hospital beds : which meant that only one doctor for 20,000 persons and one bed for 1,900 persons was available in the country. There were only two medical colleges and less than a dozen training centres for nurses and paramedical staff. Only three Tuberculosis clinics existed in the entire country while there was not a single rural health centre. The country had no industry or laboratory to produce basic preventive drugs such as vaccines, sera and B.C.G. The epidemic situation prevalent in 1947 necessitated immediate establishment of Laboratories, which could manufacture sera and vaccines to combat infectious diseases. Despite the availability of limited resources the Government paid immediate attention to improve health services. Accordingly, Bureau of Laboratories was established in 1948, a B.C.G. Production laboratory in 1951 and a Central Drugs Laboratory was established in 1952 at Karachi. In order to increase the output of doctors more medical colleges were established and their number increased from 2 in 1947 to 6 in 1955. Post-graduate training in public health and manufacture of wet lymph against smallpox was started in 1949 at the newly set up Institute of Hygiene and Preventive Medicine at Lahore. Five Institutes were set up for the training of nurses.

3. Preventive measures such as malaria and smallpox eradication programme and control of tuberculosis and expansion of medical education and maternity and child welfare received top priority in the First Five-Year Plan. In the middle of 1960, the country had 343 hospitals, 1195 dispensaries, 358 maternity and child welfare centres and 22,100 hospital beds. During the Second Plan period, more attention was paid to the health sector. As much as 60 per cent of total allocation for development expenditure in the health sector in the Plan meant for preventive services and 40 per cent for curative services. By the end of the Plan there were 554 maternity and child welfare centres and 25,603 hospital beds in the country. The number of registered doctors increased to 10,082 and the registered nurses to 2,945 while the number of registered lady health visitors and other para-medicals increased to 627. Vaccination coverage against Cholera, Smallpox and Tuberculosis embraced 132.1 million people.

4. The Third Five-Year Plan aimed at making the most essential health services available to all the members of the community and to develop an integrated health service with greater stress on Public Health. The Plan, in addition, aimed at developing the essential framework of a comprehensive and regionalised health organisation especially in the rural areas, through which all health programmes could be implemented and maintained to provide special health facilities for children, mothers and industrial workers.

5. Other objectives of the Third Plan included to develop training facilities, efficient collection of statistics and record maintenance. In physical terms the plan targets included one doctor for every 6,600 population, one nurse for every 8 hospital beds and one bed for every 2,300 persons of the population. The number of lady health visitors was to be more than doubled and deaths due to T.B. were to be reduced substantially.

6. The plan objectives in toto could not be achieved due to some adverse circumstances including the Indo-Pakistan War of 1965 and drastic cut in the inflow of foreign economic assistance. The expenditure on development of health services was reduced.

7. Despite the adverse circumstances, the efforts made during the plan helped not only to achieve some of the objectives but even some targets of the plan were exceeded. The physical targets for the implementation of the Malaria Eradication were exceeded by 227 per cent and hospital beds by 33 per cent. At the end of the plan period, the number of registered graduate doctors were 14,109, registered dentists 377, registered nurses 4,543 and registered lady health visitors 1,169. At the end of 1970, there were 495 hospitals, 2,136 dispensaries and 668 maternity and child welfare centres. The total bed availability was 34,001 for a population of about 60 million which meant one bed for every 1,765 persons.

8. The unforeseeable factors, during the plan period compelled to reduce the development expenditure in the health sector from Rs. 61.73 million in 1970-71 to Rs. 57.62 million in 1971-72. Thereafter it started increasing and went up to Rs. 906.026 million in 1980-81. In other words the per capita expenditure on health increased from Rs. 3.52 in 1970-71 to around Rs. 10.97 in 1980-81. The policy about health services was changed substantially. The Malaria Control Programme was revised to meet the threat posed by the resurgence of the disease. Spraying which had virtually been stopped was resumed in June, 1975. Malaria Programme was integrated with health services. Measures to combat tuberculosis were intensified. Pakistan was declared free from small-pox in December, 1976.

9. Considerable attention is being paid to expanding health facilities in the rural areas. The number of health centres increased from 86 in 1970 to 281 in 1981. In the country as a whole, the number of hospital beds increased from 34,001 in 1970 to 49,381 in 1981. The number of medical colleges increased from 6 to 16 and annual enrolment from 900 to 4,300.

10. Intensivs efforts have been made to increase the production of drugs and medicines and improve their quality and regulate the prices to privide relief to the consumers. The Generic Drug System introduced in 1972 was amended considerably through the Drugs Act, 1976. This law regulates the manufacture of drugs in the country through a Central Licensing Board. Registration of locally made as well as imported drugs has been made compulsory. A national formulary of all drugs and medicines has been published. The quality control of all drugs and medicines is exercised through testing institutions and supervising officers.

11. The Fifth Five Year Plan aims at increasing further medical facilities in the country. The main targets of the plan are given in Table 18.8.

12. There was considerable improvement in the condition of health services in Pakistan during 1980-81. According to the facts and figures available about the condition of various health services obtaining in the middle of the year (end 1980) there was a substantial increase of 9.5 per cent in the numberof hospitals from 550 at the end of 1979 to 602 at the end of 1980. The number of dispensaries increased by 2.9 per cent from 3367 to 3466. These figures do not include rural health centres and sub-health centres. Maternity and child health centres received special attention of the Government and their number increased by 5.2 per cent from 772 to 812. The number of beds in hospitals, dispensaries, M.C.H. centres, R.H.C. centres. etc. increased by more than 6.6 per cent from 44,367 at the end of 1979 to 47,412 at the end of 1980, which were for a 82.6 million population. This meant that on average one bed was available for 1,742 persons against 1,808 persons at the end of 1979.

13. The improvement in the number of registered doctors was more pronounced. Their number increased by more than 7.5 per cent from 21,938 at the end of 1979 to 23,594 at the end of 1980. This number did not include dentists. At the end of 1980, one doctor was available for 3,501 of population against 3,657 at the end of 1979. Some improvement was also recorded in the number of nurses during 1980, at the end of which their number at 9,098 was 8.5 per cent higher than 8,382 obtaining at the end of 1979. At the end of 1979 one registered nurse was available to an average of 9,572 persons but at the end of 1980 one nurse was available for 9,079 people. There was also some improvement in the number of registered lady health visitors. Their number increased from 1921 at the end of December 1979 to 2,009 at the end of December, 1980.

14. Tables 18.1 to 18.4 show the development of health services in Pakistan.

15. The present Government is paying special attention to the health problems and in order to achieve the policy objectives of the Fifth Plan, development expenditure of Rs. 906.026 million was allocated to health sector in the revised estimates of ADP for 1980-81. This was about 32.6 per cent higher than the revised estimates of Rs. 683.452 million in 1979-80. Tables 18.5 to 18.7 give the details of development expenditure in the health sector, value of imported drugs and expenditure on health as a percentage of G D.P. respectively.

TABLE 18.1

HEALTH FACILITIES IN PAKISTAN

Years	Hospitals	Dispensaries	M.C.H. Centres	Beds in Hospitals/ Dispensaries	Registered Doctors	Nurses Registered	*Registered Lady Health Visitor
1	2	3	4	5	6	7	8
1947 ..	292	722	91	13,769	—	—	—
1948	300	741	96	14,117	1,360	88	4
1949	301	769	102	14,180	1,912	214	7
1950	304	807	107	14,524	2,298	418	76
1951	306	823	110	14,741	2,621	574	100
1952	311	860	153	15,324	2,860	674	123
1953	320	889	177	15,872	3,227	786	129
1954	329	928	183	17,092	3,598	862	138
1955	333	964	198	19,197	3,923	963	142
1956	335	980	224	19,398	4,270	1,054	159
1957	336	1,053	257	19,640	4,770	1,190	169
1958	338	1,112	284	21,169	5,387	1,269	181
1959	338	1,155	349	21,658	5,968	1,725	195
1960	343	1,195	358	22,100	6,485	1,929	230
1961	345	1,251	422	22,394	7,255	2,067	276
1962	365	1,374	449	22,775	7,894	2,238	314
1963	369	1,514	488	23,429	8,619	2,472	377
1964	371	1,626	524	23,664	9,418	2,641	501
1965	383	1,695	554	25,603	10,082	2,945	627
1966	393	1,754	585	26,200	10,845	3,183	712
1967	395	1,834	650	27,076	11,732	3,527	848
1968	402	1,951	650	27,112	12,369	3,813	970
1969	411	2,046	668	28,686	13,011	4,123	1,085
1970	495	2,136	668	34,001	14,109	4,543	1,169
1971	496	2,137	675	34,077	14,862	5,075	1,322
1972	521	2,566	677	35,337	15,789	5,504	1,458
1973	517	2,836	690	35,655	16,485	5,751	1,618
1974	518	2,908	696	35,866	17,194	6,010	1,627
1975	525	3,061	715	37,776	17,887	6,144	1,636
1976	525	3,063	715	39,129	18,757	6,685	1,688
1977	528	3,220	726	40,518	19,863	7,186	1,738
1978	536	3,306	748	42,469	20,931	7,768	1,823
1979	550	3,367(a)	772	44,367	21,938(b)	8,382	1,921
1980	602	3,466	812	47,412	23,594	9,098	2,009

Source : Health Division.

*Figures for registered L.H.V's while the figures for qualified L.H.V's is 4,355 (1980).

(a) Does not include rural health centres, sub-health centres and basic health units.

(b) Does not include 829 Dentists.

Note.—Figures in Col. 2—5 are as on 1st January and Col. 6—8 as on 31st December.

TABLE 18.2

PHYSICAL FACILITIES OF HEALTH SERVICES AND MANPOWER

Physical facilities	1980-81
BHU, Sub-centres Dispensaries and MCH centres	6,100
RHC	266
Hospital beds	49,384
Health Manpower :	
Doctors	16,194
Dentists	1,047
Nurses	4,500
Paramedics	30,431
Community Health Works	1,621

Source : Planning Division.

TABLE 18.3

TRAINING OF MEDICAL PERSONNEL

Category	No. of Institutions	Present output per annum	Future Out-put per annum on present admission capacity
Graduate and Post-Graduate :			
1. Doctors	16	3,000	4,000
2. Dental Surgeons	4	100	130
3. Post-graduate (Basic Medical Sciences)	2	20	40
4. Post-graduate Public Health	1	20	50
5. Post-graduate (Specialists in clinical sciences) ..	3	200	700
Paramedical Staff :			
1. Nurses	28	1,020	1,500
2. Nurses teachers	1	60	60
3. Lady health visitors	6	200	430
4. Medical technicians , ...	2	40	40
5. Physiotherapists	1	24	24
6. Sanitary inspectors	1	100	160*

*These will be part of multipurpose auxiliaries.

Source : Planning Division

TABLE 18.4

PROVINCE-WISE DISTRIBUTION OF HOMOEOPATHS (REGISTERED/ENLISTED)

Name of Province	Registered		Enlisted	
	Urban	Rural	Urban	Rural
Sind	2,835	467	145	34
Punjab	4,792	3,930	354	350
Baluchistan	104	17	9	1
N.W.F.P.	302	400	25	48
Total	8,033	4,814	533	433

Source : Planning Division.

TABLE 18.5

DEVELOPMENT EXPENDITURE ON HEALTH

(Million Rs.)

Years	West Pakistan	Centre	Total
1955-56	9.00	0.50	9.50
1956-57	11.00	1.00	12.00
1957-58	11.00	1.00	12.00
1958-59	24.00	1.50	25.50
1959-60	12.00	1.50	13.50
1960-61	8.00	1.00	9.00
1961-62	18.00	2.00	20.00
1962-63	28.00	4.50	32.50
1963-64	30.00	5.00	35.00
1964-65	62.00	9.00	71.00
1965-66	42.23	5.25	47.48
1966-67	42.23	5.25	47.48
1967-68	66.18	6.65	72.83
1968-69	52.80	8.54	61.44
1969-70	61.64	8.32	69.96
1970-71	61.73	5.76	61.70
Pakistan :			
1971-72	57.26	2.56	57.62
1972-73	95.55	11.93	95.55
1973-74	157.67	30.62	157.67*
1974-75	347.03	121.89	309.00*
1975-76	292.283	526.306	648.47*
1976-77	311.107	703.809*	539.80
1977-78	376.535	307.805	684.34
1978-79 (Revised)	402.767	244.733	647.500
1979-80 (R.E.)	445.981	237.471	683.452
1980-81 (R.E.)	541.470	364.556	906.026

*Include Population Planning.

Source : Planning Division.

TABLE 18.6

VALUE OF IMPORTED DRUGS AND MEDICINES AND RAW MATERIAL

(Million Rs.)

Years	Finished drugs	Raw material including packing material
1973-74	122.88	304.91
1974-75	105.29	212.43
1975-76	184.50	238.04
1976-77	280.33	488.69
1977-78	277.08	398.08
1978-79	481.44	455.85
1979-80	472.92	635.35
1980-81	671.96	1167.77

Source : Health Division.

TABLE 18.7

TOTAL EXPENDITURE ON HEALTH AND G.D.P. AT CURRENT FACTOR COST

(Million Rs.)

Years	Expenditure on health		Total	GDP	Total Expenditure as % of G.D.P.
	Development	Non-Development			
1960-61	8.70	57.00	65.70	18,349	0.36
1961-62	21.13	69.00	90.13	19,139	0.47
1962-63	34.10	78.00	112.10	20,489	0.55
1963-64	34.55	80.00	114.55	22,945	0.50
1964-65	75.22	78.00	153.22	26,202	0.58
1965-66	46.47	84.00	130.47	28,969	0.45
1966-67	35.31	86.00	121.31	32,622	0.37
1967-68	70.80	92.00	162.80	35,542	0.46
1968-69	59.79	99.00	159.79	37,985	0.42
1969-70	67.99	128.00	195.99	43,345	0.45
1970-71	61.70	151.70	213.40	45,702	0.47
1971-72	57.62	141.10	198.72	49,169	0.40
1972-73	95.55	171.90	267.45	60,795	0.44
1973-74	157.67	210.10	367.77	80,441	0.46
1974-75	309.00	278.00	587.00	104,640	0.56
1975-76	629.099	360.640	989.739	121,423	0.65
1976-77	590.809	439.200	979.009	135,686	0.72
1977-78	684.340	558.600	1242.940	157.171	0.79
1978-79 (R.E.)	647.500	641.599	1289.099	178,801	0.72
1979-80 (R.E.)	683.452	661.892	1345.344	212,471	0.63
1980-81 (R.E.)	906.026	794.820	1700.847	249,038	0.68

Source : Planning Division.

TABLE 18.8

PHYSICAL TARGETS EXPENDITURE AGENCIES (1978—83)

Agency	BHUs/ Disps./ MCH Centres	RHCs	Hospital beds	Doctors/ Dental Surgeons	Nurses/ Auxi./ Para-Medicals	Community Health Workers
1. Federal :						
(*a*) Health Division	—	—	1,194*	—	580	—
(*b*) Federal Administered Tribal Areas	250	50	1,420	417	1,212	1,613
(*c*) Azad Kashmir ..	215	50	1,400	300	890	1,052
(*d*) Northern Areas	60	9	256	96	276	330
2. Baluchistan ..	300	40	1,400	430	1,262	1,360
3. North-West Frontier Province ..	539	129	4,000	1,100	2,966	10,506
4. Sind	1,232	147	6,150	4,988	5,190	19,680
5. Punjab	2,000	200	10,000	6,181	17,290	15,830
Total ..	4,596	625	25,820	13,512	29,666	50,371

*The province-wise distribution of the beds is :—

Islamabad	296
Clinical Wing, N.I.H., Islamabad	50
JPMC, Karachi..	200
Bolan Medical College, Quetta ..	648

19

POPULATION WELFARE PLANNING

Pakistan has been experiencing a 3 per cent annual population growth. The population has already more than doubled since independence and at the existing rate it is expected to double again in next 23 years. Because of a high rate of population growth, the per capita income does not experience the full impact of rising national income. The expanding population requires more and more social amenities and consequently exert pressure on the already limited resources of the country.

2. The reduction in population growth rate can serve the twin objectives of increasing the nation's capacity to save and invest and improving the per capita availability of goods and social services. Spacing children and limiting family size can also serve important objective of improving the health of the mother and the children.

3. Increasing attention has, therefore, been paid to this sector since the Second Five Year Plan (1960-65). The Fifth Five Year Plan (1978-83) has adopted a multi-sectoral welfare oriented approach. The Planning seeks active involvement of people at all levels and also to establish an effiicient service delivery system.

First and Second Five Year Plan Period (1955-65) :

4. The importance of family planning was stressed in the First and Second Five Year Plans but the programmes had a limited scope and could not produce any major impact. The First Plan provided a sum of Rs. 0.5 million only for family planning through voluntary efforts. During the Second Plan an amount of Rs. 30.5 million was provided to offer family planning services through the health outlets. Under this Plan, which was put into operation in July 1960, a National Family Planning Board was constituted at the centre and similar boards were set up in the provinces. Upto June 1964, 1959 doctors, 251 lady health visitors, 204 nurses and midwives were trained in family planning techniques. A National Research Institute of Family Planning was set up at the Centre to conduct research on various approaches and techniques to be employed in the family planning programme. Five research-cum-training institutes were also set up in the two provinces of the country. Family Planning clincs numbering 2,750 were established and 1.07 million cases visited the Family Planning clinics.

5. The achievements of the programme were not upto expectations because of small allocation for the programme. Insufficient allocation did not permit adequate supplies proper distribution, and above all combating inhibitions to planned parenthood. Besides, the programme was administered as a normal function of the existing health services with the result that doctors and other health personnel running these services being involved in curative work, could not give enough attention to family planning.

Third Five Year Plan Period (1965-70) :

6. In view of the performance during the Second Plan and realizing the importance of the family planning, the Third Plan accorded high priority and a sum of Rs. 148.20 million was allocated for the programme but the expenditure amounted to Rs. 167.70 million *i.e.* 113.1 per cent of the allocation. The programme primarily aimed at reducing the crude birth rate from 50 to 40 per thousand by the end of the Third Plan period. It was planned to approach 20 million women

of reproductive age to adopt family planning. Stress was given to the use of IUD, being an expensive and effective method of contraception. The village 'Dai' was to be the central figure as a motivator and dispenser of contraceptives. In addition clinical facilities and advices on family planning were to be provided by the medical and para-medical personnel. To promote the programme, monetary incentives were granted to those who adopted terminal method, and those who motivated and referred/brought the client to the service centre. The programme was somewhat handicapped in the initial year of the Plan due to problems such as non-avialability of the required number of medical and para-medical personnel for IUD insertions, inadequate supply of contraceptives and lack of transport facilities.

7. The position improved gradually with the development of the necessary infra-structure to carry out the programme efficiently. During the period under review, use of clincial contraceptions progressively increased over the conventional methods. The Family Planning Programme was extended to all parts of the country and the services under the programme were available to approximately 97 per cent of the population.

1970-78 Period :

8. During 1970-78, no medium term plan was in operation but the period was covered by annual plans. The total expenditure on the population programme during the eight years period amounted to Rs. 833.900 million.

9. The principal development during this period was the extension of the continuous motivation system (CMS) to the entire country. Only a few sparsely populated areas were left out. The CMS relies heavily on personal contacts between motivators, who are whole-time employees of the programme and the eligible couples. The sale of contraceptives *i. e.*, Oral Pills Conventional Contraceptives, IUD, and Sterilization, increased considerably during this period.

10. The communication strategy was modified to accord with the objectives of the CMS. Expenditure on publicity went up very considerably. The supply situation of contraceptives in aggregate remained satisfactory. However, the training of supervisors fell considerably short of the requirements.

11. The following conditions emerged from the experience of the eight year period : (i) the programme had only a marginal impact on the crude birth rate. The decline in the crude birth rate was from 45 to 44 per 1000. (ii) The programme remained confined to family planning and the social and economic measures such as providing employment to women remained neglected. (iii) There was an excessive reliance on the CMS approach and other approachs were not tried (iv) Sale of contraceptives was not indicative of the performance of the programme. (v) Lack of intergration with the health programmes, and (vi) Administrative short comings such as service conditions of the staff, inadequate training, poor supervision etc.

Fifth Five Year Plan Period (1978—83) :

12. While preparing Fifth Plan, it was felt that the decline in the fertility was gradual and thus the present rate of growth in population will perpetuate for another decade. It was also felt that such demographic trends will hold small prospects for rapid socio-economic advance. The Fifth Plan, therefore, follows a socio-economic strategy which would induce a greater desire to limit family size. The important constituents of this strategy pertaining to ferility behaviour

are rapid economic growth, improvement in the conditions of the poorer segments of society, modernisation of rural areas, large expansion in the coverage provided by health and education services and positve measures to increase female employment. The implementation of this programme entails expansion in basic education, in particular, female education, employment, opportunities for women, controlling infant mortality rate by expanding health cover, water supply and other allied services and an efficient population planning programme. These measures will help in reducing the fertility rate and dampen the population growth.

13. An allocation of Rs. 1,800 million has been made for the population planning programme during the Fifth Five Year Plan period. This represents a more than two-fold increase as compared to an expendiutre of Rs. 833.900 million during 1970—78 period.

14. During the first three years (1978-79 to 1980-81) of the Plan, an amount of Rs. 503.1 million was allocated for the population plannin programme. It is estimated that out of the allocation, Rs. 366.7 million were utilised. The physical achievements during the three years show that 0.063 million sterilization were carried out, 0.311 million IUDs, 6.602 million oral pills (cycles), 174.2 million convential contraceptives and 0.038 million injectables were used.

Population Welfare Plan 1981-84 :

15. Realizing that population planning requires a more comprehensive approach, a three year population Welfare Plan 1981—84 has been prepared. This plan aims to achieve the twin objectives of (i) creating awareness and behavioural change ; and (ii) over-coming the limitation in service delivery system. The new strategy is based on the concept that population and development are interrelated. Thus the plan follows a decentralized and multi-sectoral approach, has a broad base and is adaptable in character. The strategy seeks active participation of various agencies involved and its implementation has been designed through numerous projects which directly focus upon the programme activities.

16. The new population Welfare Planning Programme is an endavour to enahance welfare of the people through social mobilisation process. Hence, the traditional narrow concept of Family Planning has been replaced by a comprehensive Population Welfare Programme, which is directed towards individual well-being family health and voluntary regulation of family size.

17. The Plan adopts a multi-sectoral approach and seeks to involve both Government and non-government organizations relevant to the field relating to the promotion of Planned parenthood concepts and practices.

Plan objectives :

Objectives of the new programme are as follows :—

(i) To raise the level of effective knowledge about the programme services from 33 per cent to 55 per cent by 1984.

(ii) To achieve a level of effective motivation up to 33 per cent through information and education about responsible parenthood.

(iii) To raise the level of practice from an estimated 12.5 per cent in 1979-80 to 25.0 per cent by 1984.

(iv) To raise the level of current practice from 9.2 per cent in 1979-80 to 19.4 per cent by 1984, and continuous practice from 6.4 percent to 13.9 per cent.

18. In demographic terms, this implies a reduction in CBR from 41 per thousand to 37.5 per thousand and prevention of 1.2 million births over the plan period, thus resulting in a decline of population growth rate to 2.7 per cent by 1984.

1980-81 Progress :

19. During the fiscal year 1980-81 an amount of Rs. 159.5 million including foreign sassistance of Rs. 52.45 million was allocated in the ADP for this programme. Besides, a token allocation of Rs. 0.5 million was made for a research programme entitled "Population Research and Development Project" which could not be initiated due to non-availability of foreign assistance.

20. During the year, Rs. 126 million were utilized which comes to 79.0 per cent of the allocation for the programme. The slower progress in the implementation of the programme has been due to non-receipt of sufficient foreign assistance.

21. The annual allocation and utilization for the Population Planning Programme is given in Table 19.2.

22. The programme during 1980-81 primarily concentrated upon the fertility control measures and offered five different methods including both clinical and conventional devices. The performance of various methods is given in Table 19.1.

TABLE 19.1

CONTRACEPTIVE TARGETS AND ACHIEVEMENTS 1980-81

Method	Unit	1980-81		Percentage
		Target	Achievement	
1. Conventional Contraceptives.	Million Units.	154.08	26.21	17.0
2. Oral Pills	Million Cycles.	5.55	1.21	31.8
3. I.U.D.s. ..	No. of cases	2,51,600	91,976	36.6
4. Sterilization ..	No. of cases	21,882	24,764	113.2
5. Injectables ..	No. of vials	72,000	23,898	33.2

Source : Planning and Development Division.

Conventional Contraceptive :

23. The conventional methods cater to the needs of male target groups and are quite popular. However, during 1980-81, the number of contraceptives used stood at 26.21 million which is the lowest in the last few years. This seems to be the direct result of the increase in the price of the contraceptives during the year.

Oral Pills :

24. The target for Oral Pills was 5.55 million cycles. Against this an estimated 1.21 million cycles were sold. The progress is also low compared to last year's achievement of 1.50 million pills.

IUDs :

25. In case of this semi-clinical device, a target of 2,51,660 was fixed by the programme. On the basis of reported performance, only 36.6 per cent. of the target was acheived. The downward trend in the acceptance can be attributed to the lack of adequate follow-up service.

Sterilization :

26. For the second consecutive year, the performance in realm of contraception Surgery has been achieved beyond the national targets. This year the achievement is estimated at last year's level and is 13 per cent. higher than the 1980-81 target.

Injectables :

27. Inclusion of Injectables in the programme is of recent origin and is still in experimental stage. Nevertheless, over a period of last two years it has gained popularity due to relatively higher protection rate, and less cumbersome administration.

28. The injectables used during the year numbered 23,898. The number though 71.4 per cent. higher compared to previous year, was only 33.2 per cent. of the target for the current year.

29. The achievements in respect of use of contraceptives for the years 1970-71 to 1980-81 is given in table 19.3.

TABLE 19.2

ALLOCATION/EXPENDITURE

(Million Rs.)

Year	Allocation	Expenditure
1970-71	48.1	42.5
1971-72	27.9	25.7
1972-73	24.1	41.9
1973-74	102.0	103.3
1974-75	145.0	145.0
1975-76	189.5	187.8
1976-77	243.0	183.1
1977-78	243.0	104.6
1978-79	174.1	114.3
1979-80	169.0	126.6
1980-81	160.0*	130.7

Source : Planning and Development Division.

* This includes Rs. 0.5 million allocated to Population Research and Development Project (Planning Division).

TABLE 19.3

CONTRACEPTIVES ACHIEVEMENTS

(Million)

Year	Sterilization	IUDs	Oral Pills (Cycles)	Conventional Contraceptive	Injectables
1970-71	0.005	0.238	0.005	68.4	—
1971-72	0.003	0.124	0.060	25.2	—
1972-73	0.003	0.107	0.163	28.8	—
1973-74	0.004	0.082	1.265	48.0	—
1974-75	0.008	0.137	2.540	82.0	—
1975-76	0.014	0.224	5.510	148.0	—
1976-77	0.015	0.176	4.100	98.45	—
1977-78	0.007	0.072	1.456	57.8	—
1978-79	0.013	0.078	1.882	67.1	—
1979-80	0.025	0.100	1.500*	84.6	0.014
1980-81*	0.025	0.092	1.210	26.2	0.024

* Adjusted for sales only

Source : Planning and Development Division.

20

PHYSICAL PLANNING AND HOUSING

The rising tendency of population and rural-urban migration are continuously putting pressure on housing sector. The problem has been recongized since long and strenuous efforts are being made to ease the pressure. Nevertheless, a sizable gap between demand and supply for houses and accommodation still exists.

2. The First Plan (1955-60) allocated Rs. 861 million in the public sector (including former East Pakistan) for housing, water supply and sanitation, government offices and buildings, and for initiating schemes of town planning. However, due to various administrative and organisational difficulties in the implementation of the First Plan, achievements fell short of the targets in the housing sector, except for construction of government offices and buildings, public servants' housing and some housing for shelterless displaced families. There was substantial shortfall in the programme. None of the basic development projects for surveys, research experimentation, town planning and professional education made any headway.

3. The Second Plan (1960—65) allocated Rs. 1,885 million (including former East Pakistan) in the government-financed sector for meeting the most urgent needs of physical planning and housing. The Plan envisaged provision of housing accommodation for the shelterless displaced families. In addition provision was made for making pure drinking water and sanitation available in selected urban and rural areas. Some progress was made in laying the foundation for a more organized effort for physical planning and housing in future. This includes conducting of a National Housing Census, setting up of a Building Research Institute and Department of Public Health Engineering, and establishement of Department of Architecture in the Technical University at Lahore. However, no significant progress was made in the private sector.

4. Third Plan (1965—70) was intended to initiate the first modest comprehensive programme for physical planning and Housing. Unfortunately, this had to be abondoned very soon due to a combination of adverse circumstances in the very first year of the Plan. The sectoral programme was reduced to the provision of basic essentials. The Plan is estimated to have been executed to the tune of Rs. 1,636 million (including East Pakistan).

5. The period 1970—78 was different from the past in many ways. With the separation of Eastern Wing, the planning was made for the Western Wing alone and that too on year to year basis. However, as deliberate planning of physical environment emerged as a new technique, increased allocations were made and some visible achievements were also witnessed during this period.

6. During the period 1970—78, an allocation of Rs. 5,841 million was made in the public sector. Out of this 26.5 per cent was allocated for low income housing, 18.5 per cent for urban and 9.4 per cent for rural water supply/sewerage, 16.2 per cent for government servant housing/offices and buildings, 11.7 per cent for Capital at Islamabad and 17.7 per cent for other programmes. The physical progress during the period shows that 165,000 plots were developed in public and semi-public sector and 35,000 in private sector. The number of houses constructed were 21,500 in the public sector and 2,43.500 in private sector. Water supply and sewerage facilities were provided to 7.93 million additional population in urban areas and 5.30 million in rural areas.

Fifth Plan (1978—83) :

7. The Plan lays emphasis on sensitive programmes namely (a) site development, (b) slum improvement (c) mobilization of private sector resources for investment in housing (d) provision of safe water supply, particularly to rural areas and improvement of sewerage facilities.

8. An allocation of Rs. 9,780 million was made in public and semi-public sectors for Physical Planning and Housing. The private sector is expected to invest Rs. 13,200 million during the plan period. In the public sector Rs. 1,554 million has been allocated for the low income housing, Rs. 3,821 million for urban water supply/sewerage, Rs. 966 million for rural water supply/sewerage, Rs. 1,300 million for Government servant housing/office buildings, Rs. 1,000 million for Capital at Islamabad and Rs. 1,139 million for other programmes.

9. During the first three years of the Fifth Plan (1978-79 to 1980-81), 197,933 urban residential plots were developed. Water supply, sewerage and drainage facilities were provided to 6.03 million additional population in urban areas and 6.52 million in rural areas. A total of 3.80 million sq. feet of Government office buildings and 8,994 Government servant houses were constructed. Another 181,000 houses were constructed in the private sector.

Progress during 1980-81 :

10. A sum of Rs. 1831.296 million was allocated in the Annual Development Plan during the year. The expenditure incurred is estimated at Rs. 1,922.542 million showing a utilization of 105 per cent. Inspite of the increased expenditure, the physical achievements have been comparatively lower than the Annual Plan targets, mainly due to increase in prices.

11. Sub-sector-wise ADP allocation and Agency-wise expenditure in the Physical Planning and Housing sector are given in the table 20.1 and 20.2 respectively.

Physical Achievements :

12. It has been estimated that total number of 46,000 houses, involving an investment of Rs. 3,777 million, were constructed in the private sector.

13. The achievements are reviewed below according to sub-sectors. The sub-sector-wise achievements from 1974-75 to 1980-81 are given in table 20.3.

Low Income Housing :

14. Against the target of development of 56,500 plots in urban areas, only 45,700 plots have been developed; of these 30,000 plots were developed in Sind and 15,000 plots in Punjab. In Baluchistan and Islamabad the number of plots developed were 200 and 500 respectively.

Katchi Abadies :

15. The Government has taken several measures for regularization of Katchi Abadies. In order to check further growth of Katchi Abadies, it was decided that any Katchi Abadi emerging after January, 1978 will not be recongised. However, measures are being taken to improve the conditions in the existing Katchi Abadies.

16. In the Punjab an amount of Rs. 317.5 million was allocated for the development of Katchi Abadies during the period 1976-77 to 1980-81. Total number of 113 Katchi Abadies in Lahore. Multan, Faisalabad and other towns were regularised upto September, 1980. To provide alternate accommodation to the residents of Katchi Abadies, 3,500 quarters were constructed in Lahore and 4,401 quarters in Faisalabad.

17. In Karachi, there are 362 Katchi Abadies covering an area of 3,214 hectares of which 1,629 hectares have been surveyed and schemes prepared. Proprietary rights have been granted to 25,000 families. Federal Government has granted a sum of Rs. 20 million which will be used as revolving fund for the improvement of Katchi Abadies. About 273 Katchi Abadies in Hyderabad and Sukkur have been reuglarized upto 30th September, 1980.

Urban Water Supply, Sewerage and Drainage :

18. In Baluchistan, work on four schemes was completed and an additional 20,000 population was served with water supply facilities.

19. In NWFP, work on three schemes was completed as a result of which 40,000 additional population was served. In Sind, outside Karachi and Hayderabad, 17 schemes of water supply were comppleted covering 600,000 persons. Drainage facilities were provided to 486,000 persons.

20. In Karachi, the Third Phase of Greater Karachi Bulk Water Supply was completed except for the canal part. This will add 70 million gallons per day mgd of water to the existing availability of 148 mgd. The project will supply 26 mgd of water to the Steel Mills and 4 mgd to Qasim Port. Work also continued on Lyari Water Supply and Sewerage scheme. It is estimated that in Karachi, about 700,000 additional population was served with water supply. In Hyderabad, work was initiated on the Phase-I of Hyderabad Water Supply, Sewerage and Drainage Project, for which the Asian Development Bank is providing some assistance. Also, the work on the interim water supply scheme for supplying 1 mgd of water was in an advanced stage of completion.

21. In Punjab, work progressed on 61 on going as well as new water supply, sewerage and drainage schemes, outside Lahore, Faisalabad and Multan. Out of these, 13 schemes of water supply and 12 drainage were completed to serve an additional population of 347,000 with water supply and 712,000 with sewerage and drainage.

22. In the case of Greater Lahore Water Supply, Sewerage and Drainage Project (Phase-II) laying of 40.22 km of water supply lines and 107.80 km of trunk sewers and drains was completed. In addition, work on the Greater Faisalabad Water Supply and Sewerage Project was continued while the work on the Short Term Water Supply scheme in Faisalabad and Comprehensive Sewerage and Drainage Project Multan, was in an advanced stage of completion. It is estimated that an additional population of about 158,000 was served with water supply and 188,000 with sewerage facilities in the cities of Lahore, Faisalabad and Multan during 1980-81.

Rural Water Supply and Sanitation :

23. Fourteen water supply schemes serving an additional population of 50,000 were completed in Baluchistan. In the NWFP, out of 179 on-going schemes, 63 were completed serving an additional population of 3.0 million. The Public Health Engineering Department in Sind had undertaken 81 schemes of water supply and sanitation, out of which 24 schemes were completed, providing

water supply facilities to an additional population of about 357,000 and drainage to 102,000 persons. In Punjab, over 96 schemes were included for implementation during 1980-81. By the end of June, 30 schemes (including 13 schemes of drainage) were completed to serve an additional population of about 530,000 with water supply and 190,000 with sanitation facilities. Progress on installation of hand-pumps, however, remained slow.

Government Servants Housing and Office Building :

24. About 4,217 houses were proposed to be constructed at various places in the country during 1980-81. The physical achievement is about 3,410 units including hostel-type accommodation. Similarly, against the target of construction of 134,000 sq. metres of office building, it is estimated that about 111,000 sq. metres office building was constructed. The shortfall in the target was partly due to delay in the initiation of work on new schemes and partly due to increase in the cost of construction.

Islamabad :

25. Work on a major scheme of construction of 3,008 'A' to 'D' type houses was completed. Work on the National Assembly Building, Simly Dam, Presidential Estate Complex, Presidential Estate Colony, office and residential accommodation and other schemes of water supply and sewerage net-work, roads, etc., continued. The overall progress on the National Assembly Building and Simly Dam was about 60 per cent each, while that on Presidential Estate Complex and Presidential Estate Colony was 90 per cent and 50 per cent respectively. The work on Simly Dam and National Assembly Buildings picked up momentum during 1980-81 and these projects are expected to be completed during 1982-83.

Tourism :

26. During 1980, a total number of 299,012 tourists visited Pakistan. The number of tourists was lower by 6.0 per cent compared to 318,558 in 1979. The decline has been due to disturbances in the neighbouring countries on the western border of Pakistan. The foreign exchange earnings, however, increased by 54 per cent, *i.e.*, from $ 99.95 million in 1979 to $ 153.93 million in 1980.

27. The various on-going projects initiated by Pakistan Tourism Development Corporation for construction or expansion of accommodation units in Baluchistan, Hunza, Kalam, Ziarat and Kaghan were completed. Renovation/remodelling of rest houses at Chitral was also completed. Work on establishment of skiing resort at Malam Jabba remained in progress. The project of Keenjhar Lake was nearing completion. Initial work on Daman-e-Koh restaurant, Islamabad, was taken in hand while that on camping site at Bamburet and Garam Chashma was also in progress.

Loans for Housing :

28. An amount of Rs. 975.4 million was advanced for the house construction/purchase during 1980-81. The House Building Finance Corporation, which is working on income-sharing basis, advanced an amount of Rs. 913.5 million which is higher by 35.0 per cent over the amount of last year. During the same period Government employees received a loan of Rs. 61.9 million, which shows an increase of 28.0 per cent. However, nationalized commercial banks are not advancing loans on the instructions of the State Bank of Pakistan. The details of loans advanced for housing from 1975-76 to 1980-81 are given in table 20.4.

TABLE 20.1

SUB-SECTOR-WISE ADP ALLOCATIONS

(Million Rs.)

Items	1977-78	1978-79	1979-80	1980-81
1. Water Supply/Sewerage : ..	578.016	533.709	529.024	805.950
(a) Urban	339.439	374.687	351.524	580.639
(b) Rural	178.557	159.022	177.500	225.311
2. Low Income Housing :	397.700	320.832	159.771	168.175
(a) Plot Development ..	141.600	110.832	85.805	91.225
(b) Housing Construction ..	95.000	110.000	26.227	30.000
(c) Katchi Abadies/Slum Improvement	161.100	100.000	47.739	46.950
3. Government Servant Housing ..	108.194	119.503	157.800	195.164
4. Government Office/Buildings ..	112.493	135.262	133.079	161.831
5. Other Urban Development Projects	164.463	139.826	103.075	68.418
6. Tourism	66.000	66.490	34.067	11.701
7. Capital at Islamabad	146.500	218.500	191.415	277.500
8. Others	112.409	127.805	118.535	142.755
Total ..	1,625.775	1,661.927	1,426.766	1,831.296

Source : Planning and Development Division.

TABLE 20.2

EXPENDITURE ON PHYSICAL PLANNING AND HOUSING BY EXECUTING AGENCIES

(Million Rs.)

Executing Agencies	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Punjab	290.6	481.7	481.0	528.4	721.5	595.7	656.8
Sind	126.8	159.6	122.7	120.2	203.5	213.8	365.1
N.W.F.P.	41.8	113.8	119.9	123.8	108.9	142.2	141.3
Baluchistan	28.5	16.3	25.0	31.0	30.2	49.1	61.9
Federal Government	303.1	437.8	428.2	469.0	470.3	422.3	694.4
Total ..	790.8	1,209.2	1,176.9	1,272.5	1,534.3	1,423.1	1,922.5

Source : Planning and Development Division.

TABLE 20.3

MAJOR PHYSICAL PLANNING AND HOUSING ACHIEVEMENTS

Items	Unit	Achievements						
		1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
1. Urban Residential Plots	Nos.	34,275	47,500	60,000	54,149	47,000	51,084	45,700
2. Urban Water Supply	Addl. Pop. to be served (million)	0.58*	1.20	3.34*	1.34	1.29	1.32	2.08
3. Urban Sewerage & Drainage	Do.	—	0.10	—	1.12	0.95	0.49	1.41
4. Rural Water Supply	Do.	0.74*	1.01*	1.06*	2.19*	1.77*	0.79	1.34
5. Rural Sanitation	Do.	—	—	—	—	—	0.14	0.29
6. Government Office-building	Million sq. feet.	N.A.	N.A.	0.50	0.71	0.80	1.10	1.20
7. Government Servants Housing.	Nos.	N.A.	1,000	1,200	1,600	2,000	1,984	3,410
8. Houses built in Private Sector	Nos.	35,000	40,000	40,000	45,000	45,000	45,000	46,000

* Includes Water Supply and Sewerage/Sanitation.

Source : Planning and Development Division.

N.A. = Not Available.

TABLE 20.4

LOANS ADVANCED FOR CONSTRUCTION OF HOUSES

(Million Rupees)

Year	Nationalised Commercial Banks	HBFC	Federal & Provincial Govt. Loans for Employees	Total
1975-76 ..	504.4	359.3	36.9	900.6
1976-77	502.9	573.3	39.2	1,115.4
1977-78	421.8	371.4	42.3	935.5
1978-79	562.2	525.2	42.3	1,129.7
1979-80	688.1	676.7	48.2	1,364.8
1980-81	—	913.5	61.9	975.4

Source : State Bank of Pakistan/Finance Division.

Note : The State Bank of Pakistan banned bank advances by nationalised commercial banks for residential construction including advances for purchase of houses or flats, with effect from 15th July, 1980, except to their own employees.

PCPPK—M/1127/81-82/Finance—22-2-82—3,000.

PAKISTAN BASIC FACTS 1980-81

19TH EDITION

PRINTED BY THE MANAGER, PRINTING CORPORATION OF PAKISTAN PRESS, KARACHI